

quiring the constitutional rule that bills be read upon three several days in each house be suspended, and such rule is suspended, and that this Act be put upon its third reading and final passage and take effect and be in force from and after its passage, and it is so enacted.

PAGE, Chairman.

Committee Room,

Austin, Texas, Sept. 14, 1917.

Hon. W. L. Dean, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was referred

S. B. No. 17, A bill to be entitled "An Act validating the charters and amendments to charters of all cities of more than five thousand inhabitants, in this State, which have adopted charters, or attempted to adopt or amend charters, since the enactment of Chapter 147, General Laws of the Regular Session of the Thirty-third Legislature, 1913, and validating all proceedings had by city councils or city commissions, or governing authority, in regard to the question of the adoption of charters or amendments thereto; and declaring an emergency,"

Have had the same under consideration, and I am instructed to report the same back to the Senate, with the recommendation that it do pass and be not printed, but be printed in the Journal.

BEE, Acting Chairman.

By Bailey.

S. B. No. 17.

A BILL

To be entitled

An Act validating the charters and amendments to charters of all cities of more than five thousand inhabitants in this State, which have adopted charters, or attempted to adopt or amend charters, since the enactment of Chapter 147, General Laws of the Regular Session of the Thirty-third Legislature, 1913, and validating all proceedings had by city councils or city commissions, or governing authority, in regard to the question of the adoption of charters or amendments thereto; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That each charter, and

each amendment to a charter, adopted by any city of more than five thousand inhabitants in this State, or where such city has amended or attempted to amend or adopt such charter, since the enactment of Chapter 147, Acts of the Regular Session of the Thirty-third Legislature, 1913 and all proceedings had with reference thereto, are hereby validated, and are hereby declared to be in full force and effect, the same as if adopted in strict compliance with the requirements of said Chapter 147, Acts of the Thirty-third Legislature, and this Act shall take effect and be in force from and after its passage.

Sec. 2. The fact that the Act of the Thirty-third Legislature authorizing cities of more than five thousand inhabitants to adopt and amend their own charters is a recent one and its provisions have not been construed by the courts and that many cities which have undertaken in good faith to incorporate and to adopt and amend their charters may not have complied strictly with all of its provisions and requirements, and that the acts, ordinances and bond issues of such cities may therefore be questioned, although made in good faith and authorized by a majority vote of the qualified voters of such cities, creates an emergency and an imperative public necessity that the rule requiring bills to be read on three several days be suspended, and said rule is suspended, and this Act shall take effect and be in force from and after the date of its passage; and it is so enacted.

TWELFTH DAY.

Senate Chamber,

Austin, Texas,

Monday, Sept. 17, 1917.

The Senate met at 9 o'clock a. m. pursuant to adjournment, and was called to order by President Pro Tem. Dean.

By unanimous consent, and on request of Senator Johnson of Hall, the Senate stood at ease for thirty minutes, at the expiration of which time the roll was called, a quorum being present, the following Senators answering to their names:

Alderdice.
Bailey.
Bee.

Buchanan of Bell.
Buchanan of Scurry.
Caldwell.

Clark.	Johnston of Harris.
Collins.	Lattimore.
Dayton.	McCollum.
Dean.	McNealus.
Decherd.	Page.
Floyd.	Parr.
Gibson.	Robbins.
Hall.	Smith.
Harley.	Strickland.
Henderson.	Suiter.
Hopkins.	Westbrook.
Hudspeth.	Woodward.
Johnson of Hall.	

Prayer by the Chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Alderdice.

Petitions and Memorials.

See Appendix.

Committee Reports.

See Appendix.

Bills and Resolutions.

By Senator Robbins:

S. B. No. 25, A bill to be entitled "An Act to make an emergency appropriation to repair the North Texas Hospital buildings for the Insane at Terrell and to construct and equip a sewage disposal plant at said hospital for the insane, and declaring an emergency."

Read first time and referred to Committee on Finance.

Morning call concluded.

Simple Resolution No. 18.

(Pending.)

The Chair laid before the Senate:

S. R. No. 18, providing for an investigation of all departments of the State government and State institutions (see page 527 of the Journal for the resolution in full, the same having been substituted for resolution shown in the Journal of September 13.)

The question being upon the pending amendments (see page 528 of the Journal).

By unanimous consent, Senator

Henderson withdrew the amendments.

Senator Henderson offered the following:

Substitute Resolution.

Resolved, That a committee of three senators be appointed by the presiding officer of the Senate, whose duty it shall be to sit during the recess of the Senate after final adjournment of the current called session and any other called session of the Thirty-fifth Legislature, that shall succeed it, for the purpose of making a thorough investigation of the affairs of all departments of the State government and every State institution and of all officers or employes of all departments or institutions of the State, said committee to report to the first regular session of the Thirty-sixth Legislature or to any called session of the Thirty-fifth Legislature, if the investigation here provided for shall have been concluded in time for submission of such report. This committee is hereby authorized to employ expert bookkeepers and accountants to perform such services as may be found necessary, and after said investigation has been made, said committee shall report back to the Senate their findings as to whether or not any form of corruption, or improper practices, or influence exist with respect to the conduct of work, the selection or service of employes, or in the handling of public funds; whether or not inefficiency or extravagance in any form exists; whether or not the force of employes is too large or too small, and whether or not such employes are industrious as well as honest, and whether or not such force is industriously employed at all proper times; whether or not the laws now governing the management, purposes and activities of such departments or enterprises should be amended, and, if so, in what respects such changes should be made; whether or not the proper safeguards are now thrown around the activities and the funds thereof, and whether or not there should be consolidation, elimination of departments, commissions, boards, boards of regents and trustees.

Such committee is hereby authorized to sit and co-operate with any committee of the House of Representatives that may be created for sim-

ilar purposes provided for in this resolution as may be determined by a majority vote of the members of said committee herein provided for.

The expenses of the committee hereby created shall be paid out of the contingent expense fund of the Senate, the members to receive \$5.00 per day as compensation, and also the payment of such actual expenses as may be incurred in the work hereby authorized for them to perform. Said committee is hereby authorized to employ a secretary and stenographer to perform such duties as the committee may deem necessary in connection with the duties and work herein provided for.

All witnesses before the committee shall be paid the same fee provided for witnesses summoned in the district courts of this State, and the committee shall have the right to summon witnesses, who shall be sworn by the chairman or any member of the committee. Said committee shall have full authority to issue all necessary process, summon witnesses, and to compel their attendance and to give testimony and for the production before it of any paper, books or documents; that all expenses shall be paid by warrants properly issued by the chairman of said committee.

HENDERSON.

Senator Henderson moved the substitution of the resolution for that of Senators Westbrook et al.

Senator Westbrook made the point of order that the pending resolution is a substitute and that a substitute cannot be offered for a substitute.

Pending discussion the point of order was withdrawn.

Senator Westbrook moved to table the pending substitute offered by Senator Henderson.

Pending.

Senator Page made the point of order that the hour, 10 o'clock a. m., for the convening of the Court of Impeachment had arrived.

The point of order was sustained.

The Senate as Court of Impeachment.

PROCEEDINGS.

Monday, September 17, 1917.

Morning Session.

Senate Chamber, Austin, Texas.

(Pursuant to adjournment, the Sen-

ate, sitting as a High Court of Impeachment, reconvened at 10:00 o'clock a. m.)

Hon. W. L. Dean, President Pro Tempore, presiding.

The Board of Managers and their Counsel were present.

The Respondent and his Counsel were present.

The Chair: Mr. Sergeant-at-Arms, proclaim the convening of the Court of Impeachment, and have all persons not entitled to the privileges of the Chamber to retire.

Sergeant-at-Arms (at the door of the Senate): Oyez! Oyez! Oyez! the Senate sitting as a Court of Impeachment is now in session.

The Chair: Now, the Chair wants to renew further requests of all present—this applies to the members of the Court, the officers of the Senate, all parties connected with the case, and to all visitors: it is necessary for us to have good order, not only in this Chamber, but in the galleries also, and we hope that during the remainder of this trial it will not be necessary for the Chair, from time to time, to admonish our visitors and the members of this Court that this is no place for conversation, it is no place for anything except to listen. This applies to all of us except those who are conducting this trial, and we hope that that will be borne in mind, and that we will have that degree of order which the case requires. Are you ready to proceed, Mr. Hanger?

Mr. Hanger: Yes, sir.

The Chair: Mr. Sergeant-at-Arms, if the House Managers or their counsel are in the reception room there, notify them that we are ready to go ahead.

Senator McNealus: Mr. President, it seems that the Court is not ready to proceed, and if we are going to have any delay in the proceedings of the Court, it seems to me that it would be well to let us proceed with some legislative matters for fifteen minutes, and if I can get unanimous consent, I shall ask that the Court rise for fifteen minutes and the Senate proceed with legislation.

The Chair: Mr. Hanger stated that they were ready to go ahead. Are you ready, General Crane?

General Crane: Yes, sir.

The Chair: We will go on, then, with the trial. The Chair will state to the Senator from Dallas that the

Respondent does not seem to be in the Chamber.

Mr. Hanger: Well, he is delayed just at the foot of the steps. He will be here by the time we get started.

The Chair: All right.

Mr. Hanger: Shall we proceed?

The Chair: Yes, you may proceed. Thereupon, the Respondent recalled

J. H. DAVIS, JR.,

who, in answer to questions propounded, further testified as follows, to wit:

Re-direct Examination

By Mr. Hanger.

Q. Mr. Davis, you were asked Friday by Counsel for the House Managers about a search for a carbon copy of a letter dated January 20, 1915. Have you made a further search for that letter?

A. I have, yes, sir.

Q. Did you find it?

A. I did.

Q. Now, just a moment. In what file did you find it?

A. When Mr. Harris and Manager Bledsoe and Mr. Chester Terrell came down to the Governor's office with me immediately after leaving the stand on Friday afternoon, I looked in a file which the porter kept, an alphabetical file, not the file, now, of the Temple State Bank—there was no letter of that date, and at that time neither the porter nor I recalled that at that time he kept a file, what he called a departmental file, and in that file under the head of "West Texas Normal" I found this envelope with these letters (handing envelope to counsel).

Q. You were asked something the other day about if it was written with the same machine that the subsequent letters were written with. I understood you to say that it was.

A. It was not my intention to so state. As I recall that question, immediately following, before I had time to answer, someone propounded another question to me and I did not answer it; it was my intention to say that during the year 1915, there were two Underwood typewriters in the Governor's office, and they were exchanged for two more Underwood typewriters. Mr. Patty, a resident of this city now, an agent of the Royal Typewriter Company, was the one that made the transfer in the Governor's office.

Q. The one that you did the

writing on when you first went into the office was an older machine than the one subsequently used?

A. It was, yes, sir.

Mr. Hanger: We now introduce the carbon copy.

General Crane: That is not necessary, what is the use of encumbering the record with it? All right.

Mr. Hanger: I think we should, in view of the question.

General Crane: All right.

(Mr. Hanger thereupon read into the record the following letter, to-wit):

Exhibit 1, H. L. G.

January 20, 1915.

Temple State Bank,
Temple, Texas.

Gentlemen: I herewith hand you draft by the First State Bank of Canyon City, Texas, No. 3367 on the National Reserve Bank of Kansas City, Missouri, for five thousand eighty-one and 11-100 (5,081.11) dollars, which you will please place to the credit of Jas. E. Ferguson, Governor.

The Governor asks me to say to you to not increase your loans on the strength of this deposit, but to just hold it on deposit.

With best wishes and kindest regards to you all, I am,

Yours truly,

For the Governor.

Enc. 1.

D.

Q. That is the carbon copy, isn't it?

A. Yes, sir.

Q. Now, this is the original, which I now exhibit to you (showing witness paper)?

A. Yes, sir, it is.

Q. This is an exact copy of it (referring to the carbon)?

A. It is, yes, sir.

Q. Dated at the time.

General Crane: We desire to reserve the right to recall for cross-examination Mr. Davis after we get some additional data, and then we will not have to recall him later.

Mr. Hanger: All right. Just let that in (referring to paper).

The Chair: Any more questions for this witness?

Mr. Hanger: That is all, sir.

The Chair (to the witness): Stand aside.

(Witness excused).

Mr. Hanger: We desire to introduce this, without reading it; this is the budget, and this is the deposits, showing the University deposits in the American National Bank. We offer them without reading them.

General Crane: No objection.

Mr. Hanger: I don't want to read it, just introduce it.

Mr. Manager Bledsoe: Just put it in the record and consider it as read?

Mr. Hanger: That is all.

(The budget above offered in evidence by counsel for Respondent is in words and figures as follows, to wit:)

Galveston, Texas, July 12, 1917.

To the Honorable Board of Regents,
University of Texas,
Galveston, Texas.

Gentlemen: I have the honor to submit the following report:

Alien Resolution.—I desire to call the attention of the board to the following facts supplementary to my previous reports on the question of aliens in the faculty of the University.

On June 19, 1917, Dr. James Edwin Thompson was admitted to become a citizen of the United States of America, and the clerk of the District Court for the Tenth Judicial District in and for Galveston County, Texas, was ordered to issue to Dr. Thompson full papers of naturalization. A certified copy of the judgment and decree is hereto attached.

On June 11, 1917, Mr. Jacob Anton de Haas was admitted to become a citizen of the United States of America, and subsequent to such admission and entry subscribed to the oath of allegiance. A certified statement regarding Mr. de Haas full naturalization from the clerk of the United States District Court for the Western District of Texas is hereto attached.

Additional Appropriation for Catalogues for 1916-17.—Owing to the enormous increase in the cost of paper, to the large increase in practically every item of the printing contract, and to the inclusion of the announcement of the School of Mines, the cost of the catalogue for the current session has run beyond

the amount appropriated by \$549.75. I recommend, therefore, that an additional appropriation be made to cover this amount.

Budget for 1917-18.—In submitting the budget for the session of 1917-18, which is hereto attached, I desire to call the attention of the board to three particulars. (1) I have followed as closely as possible the actual itemization presented to the Legislature and indicated in the appropriation bill. There are, of course, a few changes, which have been made necessary by conditions which could not be foreseen at the time of the preparation of the itemized report to the Legislature. (2) Every effort has been made to keep the total amount of the budget within the amount requested by the board from the Thirty-fifth Legislature, which is found in the appropriation bill, in order to save the available fund for the next year for permanent improvements. (3) I have had in the making of this budget three complete reports from every department and school of the University and full conference with the departments and schools whose recommendations seemed to me to be in excess of a proportionate amount of the available funds, and the scaling and the arrangement of the details of the budget have been done after full personal conference with the officers of the institution.

The budget for the School of Mines, at El Paso, which is also herewith presented, has not been changed in any of the items from the report made to the Legislature.

Dean of the Faculty: I recommend that, without amending for the present Rules and Regulations of the Board of Regents to be found in Article II, Section 2, under the head of "Officers of Administration," the board do not elect a successor to Dr. W. J. Battle as dean of the faculty, but that the duties assigned to him be distributed among the president, the registrar, the dean of the College of Arts, and the secretary to the president.

Stenographic Bureau.—The Board will note in the budget which is presented herewith a recommendation for the establishment of Stenographic Bureau and a request that the appropriations for stenographers and clerks, messengers, and stamps, stationery, and office supplies be made to this bureau. The purpose of this rec-

ommendation is to establish a central typing and mailing station, at which the bulk of the stenographic and type-writing work of the University shall be done and from which all mail matter will be sent out. It is not intended to take away from certain officers of the University stenographers and clerks they have at the present time unless in each case this can be done without injury to their work. A careful study of the practice of other universities in this matter has shown that such a bureau is not only being used with great efficiency in a number of other institutions, but that its operation has resulted in a considerable saving. It is intended to place the supervision and direction of the Stenographic Bureau under Mr. F. W. Graff, in addition to his duties as secretary to the president, and to charge him also with that part of the duties of the dean of the faculty which relates to the preparation of the University catalogue, the schedule of examinations and of hours and rooms for classes, the annual University directory, the official announcement of courses, and the editing of University publications. The effect of this recommendation will be to attach the Stenographic Bureau and the work outlined above immediately to the president's office, as is the custom in the institutions which operate such bureaus. On account of the fact that this is an experiment, it has been impossible to make a recommendation in detail of the number of stenographers and clerks who may be needed, but I hope to be able to make a specific report under this head to the board at the meeting in October.

Assistant Dean of Women.—On account of the death of Miss Katherine E. White, the position of assistant dean of women in the University is left vacant. I have received a great many applications for this position,

but, after full consideration of the problems connected with the care and supervision of the women students of the University, and particularly in reference to the uncertain conditions of attendance for the next session, I recommend that for the present the selection of a successor to Miss White be postponed, and that the duties formerly discharged by her be placed in the hands of a committee composed of four ladies of the faculty, to be selected by the president and the dean of women. This suggestion has been made to the ladies of the faculty, and has also been placed before the dean of women, and meets with their hearty endorsement. These ladies will serve without additional pay until the office of assistant dean of women is filled.

School of Chemical Engineering.—At the April meeting of the board, upon the recommendation of the faculty, the degree of bachelor of science in chemical engineering was created. In order to carry out the work demanded by this degree, I have recommended the appropriation of \$600 for the salary of a tutor and a contingent fund (in addition to fees) of \$1200, making a total appropriation of \$1800 for this work for the next session. This has been done after full conference with the faculties of the Department of Engineering and of the School of Chemistry.

Report of the Committee on Sick Students.—Attached hereto is the report of the Committee on Sick Students. This report contains some recommendations which I desire to postpone for definite consideration until after the opening of the next session of the University, when conditions will be more certain than they are at the present time.

Respectfully submitted,

Robert E. Vinson,
President.

Estimate of Income and Expenditures for the Year 1917-18.

Main University.

Income—

Unappropriated balance, August 31, 1917..	\$101,820.14	
Land leases	205,000.00	
Interest on State bonds.....	28,831.00	
Interest on land sales.....	1,200.00	
Matriculation fees.....	20,000.00	
Legislative appropriation	719,698.50	\$1,071,549.64

Expenditures—

College of Arts.....	\$301,290.00
Graduate Department	3,500.00
Department of Education.....	29,590.00

Estimate of Income and Expenditures for the Year 1917-18—Continued.**Income—**

Department of Engineering.....	\$ 44,320.00	
Department of Law.....	37,100.00	
Physical Training	14,800.00	
Library	49,760.00	
Administration	39,650.00	
Stenographic Bureau	21,645.00	
Physical plant	55,810.00	
General expenses	15,725.00	
Bureau of Economic Geology and Technology	34,700.00	
Department of Extension.....	48,340.00	
Summer schools	25,075.00	\$721,305.00
		<u>\$350,244.64</u>

Medical Department.**Income—**

Unappropriated balance, August 31, 1917..	\$ 3,000.00	
Matriculation fees	4,000.00	
Breakage fees.....	500.00	
University Hall	500.00	
Legislative appropriation	98,755.00	\$106,755.00
Expenditures—		
School of Medicine.....	\$ 72,475.00	
School of Pharmacy.....	6,347.00	
School of Nursing.....	2,720.00	
Administration	3,920.00	
Laboratory staff	5,185.00	
Physical plant	8,300.00	
General expenses	3,650.00	
University hall	1,555.00	\$104,152.00
Unappropriated balance		6,603.00

Whole University.**Income—**

Main University	\$1,071,549.64	
Medical Department	106,755.00	\$1,178,304.64
Expenditures:		
Main University	721,305.00	
Medical Department	104,152.00	\$825,457.00
Unappropriated balance		<u>\$352,847.64</u>

Budget of the University of Texas for the Year 1917-18.**College of Arts.**

Applied Mathematics—	Recommended Increase . Decrease	
Professor, dean of the College of Arts		
dean of men, H. Y. Benedict.....	\$ 3,500.00	
Associate professor, C. D. Rice.....	2,200.00	
Adjunct professor (now instructor)		
H. J. Ettlinger	1,700.00	\$300.00
Instructor, P. M. Batchelder.....	1,300.00	
Assistants	360.00	
Contingent fund	200.00	
Botany—		
Associate professor, I. M. Lewis.....	\$ 2,400.00	\$300.00
Adjunct professor, Frederick McAllester	2,000.00	
Instructor, Mary S. Young (with vote)	1,500.00	100.00
Assistants	720.00	
Contingent fund (in addition to fees)	2,000.00	
Business administration—	\$ 8,620.00	\$400.00

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Professor, Spurgeon Bell.....	\$ 3,400.00		
Professor, J. E. Treleven (absent on leave for the session of 1917-18 for grad- uate study) .....	.....	
Associate professor (now adjunct pro- fessor), J. A. de Haas.....	2,400.00	\$200.00	
Instructor (substitute for professor Treleven)	1,600.00		\$1,150.00
Assistants	400.00	40.00	
Contingent fund (in addition to fees) ..	925.00		
Chemistry—	\$ 8,725.00		\$910.00
Professor and dean of the Graduate Department, H. W. Harper.....	\$ 3,250.00		
Professor of organic chemistry, J. R. Bailey	3,000.00		
Professor of physical chemistry, chair- man of the School of Chemical En- gineering, Department of Engineer- ing, and head of the Division of Chem- istry, Bureau of Economic Geology and Technology, E. P. Schoch.....	3,500.00		
Curator, W. B. Duncan.....	1,750.00	\$250.00	
Tutor, T. E. Phipps.....	800.00	125.00	
Tutor, T. E. Buehrer.....	575.00		
Tutor, Roxie Clark.....	500.00		
Tutor, L. T. Fahrenthold.....	450.00		\$200.00
Chemistry, 1 assistants.....	2,375.00		
Storeroom assistants	1,175.00		
Contingent funds (in addition to fees) ..	5,750.00		145.00
Economics and Sociology—	\$23,125.00	\$ 30.00	
Professor, A. B. Wolfe.....	\$ 3,250.00		
Professor of economics, Eliot Jones...	3,000.00		
Professor of sociology, M. S. Handman..	3,000.00	\$3,000.00	
Associate professor of economics (now adjunct professor), E. T. Miller.....	2,400.00	200.00	
Instructor, H. H. Preston.....	1,600.00	100.00	
Assistants	1,800.00		
Contingent fund	800.00		
English—	\$15,850.00	\$3,300.00	
Professor, Morgan Callaway, Jr.....	\$ 3,250.00		
Professor, J. F. Royster.....	3,250.00		
Associate professor, Killis Campbell..	2,500.00		
Associate professor, L. W. Payne, Jr...	2,400.00		
Associate professor, R. H. Griffith.....	2,400.00	100.00	
Associate professor, R. A. Law.....	2,300.00	100.00	
Adjunct professor and assistant dean of the College of Arts, H. T. Parlin.....	2,000.00		
Adjunct professor, J. B. Wharey.....	2,000.00		
Adjunct professor, A. C. Judson.....	1,800.00		
Instructor, E. M. Clark (with vote)....	1,700.00		
Instructor, E. L. Bradsher.....	1,500.00		
Instructor, H. M. Ellis.....	1,500.00		
Instructor, Stith Thompson.....	1,500.00	100.00	
Instructor, W. L. Sowers.....	1,500.00	100.00	
Instructor, H. W. Peck.....	1,500.00	100.00	
Instructor, S. R. Ashby.....	1,400.00		
Instructor, R. W. Fowler.....	1,300.00		
Instructor, J. F. Dobie.....	1,300.00		

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Instructor, Baldwin Maxwell.....	\$ 1,300.00	\$ 100.00	
Instructor, D. G. Cooke.....	1,200.00		
Instructor, W. M. Tanner.....	1,200.00		
Tutor, Hallie D. Walker.....	900.00		
Tutor (discontinued)			\$ 1,000.00
Assistants	600.00		400.00
Contingent fund	800.00		
	\$ 41,100.00		\$ 800.00

General Literature—

Adjunct professor of general literature and English, H. M. Jones	\$ 1,800.00		
Assistant	200.00		500.00
Contingent fund	200.00	50.00	
	\$ 2,200.00		

Geology—

Professor, F. W. Simonds.....	\$ 3,250.00	\$ 250.00	
Adjunct professor of geology and paleontology, F. L. Whitney....	1,800.00		
Adjunct professor, H. P. Bybee..	1,800.00		
Adjunct professor of geology and mineralogy, W. M. Tucker....	1,800.00		
Instructor, Alva C. Ellisor.....	800.00		
Tutor (now assistant), Hedwig T. Kniker	600.00	200.00	
Assistant	120.00		
Contingent fund (in addition to fees)	1,300.00		
Weather observatory	200.00		
	\$ 11,670.00	\$ 450.00	

Germanic Languages—

Professor Eduard Prokosch	\$ 3,000.00		
Adjunct professor, W. E. Metzenthin	2,200.00		
Adjunct professor (now instructor), J. L. Boysen.....	1,800.00	100.00	
Adjunct professor (now instructor), Max Diez	1,800.00	100.00	
Adjunct professor	1,700.00		
Instructor, J. C. Walker.....	1,400.00		
Instructor, Louise M. Spaeth....	1,400.00	200.00	
Instructor (now tutorship), Hans Kurath	1,400.00	400.00	
Instructor, Jessie Andrews	1,200.00		
Contingent fund	600.00	100.00	

Government—

Professor, C. G. Haines.....	\$ 3,250.00		
Associate professor and director of the Bureau of Municipal Research and Reference, H. G. James	2,500.00		
Instructor (now tutor), F. M. Stewart	900.00	500.00	
Tutor, J. A. Barnes.....	400.00	400.00	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Assistant	\$ 200.00		
Contingent fund	600.00		
	<hr/>	<hr/>	<hr/>
	\$ 7,850.00	\$ 900.00	
 Bureau of Municipal Research and Reference—			
Secretary, E. T. Paxton	\$ 1,500.00		
Assistant, W. C. O'Donnell	600.00		
Contingent fund	800.00		
	<hr/>	<hr/>	<hr/>
	\$ 2,900.00		
 Greek—			
Professor and dean of the faculty (discontinued)			\$ 3,500.00
Professor (now associate profes- sor), D. A. Penick	2,750.00	550.00	
Adjunct professor, G. M. Calhoun	2,000.00	200.00	
Assistant	200.00		
Contingent fund	300.00	50.00	
	<hr/>	<hr/>	<hr/>
	\$ 5,250.00		\$ 2,700.00
 History—			
Professor of American history, E. C. Barker	\$ 3,000.00		
Professor of medieval history, Frederic Duncalf	3,000.00		
Professor of American history (now associate professor), C. W. Ramsdell	2,500.00	300.00	
Associate professor of Latin, Amer- ican and English history (now adjunct professor), W. R. Man- ning (absent on leave for the session of 1917-18 for editorial work for the International Law Section of the Carnegie Endow- ment)			
Adjunct professor of modern Euro- pean history, T. W. Riker	2,100.00	300.00	
Adjunct professor of Spanish- American history (now instruc- tor), W. E. Dunn	2,000.00	200.00	
Adjunct professor of ancient his- tory, F. B. Marsh	1,800.00	100.00	
Adjunct professor of medieval history (now instructor), M. R. Gutsch	1,800.00	200.00	
Instructor in Latin-American and English history (substitute for associate professor Manning) ..	1,200.00		700.00
Architect, Mrs. Mattie A. Hatcher ..	900.00		
Assistants	1,040.00		
Contingent fund	1,250.00		
Historical manuscripts	500.00	500.00	
Transcribing the Austin papers ..	300.00	300.00	
Texas State Historical Association ..	190.00		
	<hr/>	<hr/>	<hr/>
	\$ 21,580.00	\$ 1,200.00	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Home Economics—			
Professor, Mary E. Gearing.....\$	3,000.00		
Adjunct professor, Anna E. Richardson (absent on leave for the session 1917-18 for graduate study)			
Instructor, Elizabeth C. Meguiar..	1,600.00	\$ 100.00	
Instructor, Fannie A. Sims.....	1,500.00		
Instructor, Jennie R. Bear.....	1,500.00	100.00	
Instructor, Bess Heflin	1,400.00		
Instructor (substitute for Adjunct Professor Richardson)	1,400.00		\$ 600.00
Research assistant, Helen S. Green	1,200.00		
Contingent fund (in addition to fees)	2,200.00		
	<u>\$ 13,800.00</u>		<u>\$ 400.00</u>
Institutional History—			
Professor, L. M. Keasbey.....\$	3,250.00		
Assistant	1,250.00		
Contingent fund	750.00		
	<u>\$ 5,250.00</u>		
Journalism—			
Professor, W. H. Mayes.....\$	3,250.00		
Adjunct professor (now instructor), Vaughn Bryant	1,800.00	200.00	
Instructor in the mechanics of printing, W. B. Collins.....	1,500.00	300.00	
Instructor (discontinued)			\$ 1,600.00
Contingent fund (in addition to fees)	2,200.00		500.00
	<u>\$ 8,750.00</u>		<u>\$ 1,600.00</u>
Latin—			
Professor, E. W. Fay.....\$	3,250.00		
Instructor, Roberta Lavendar (with vote)	1,500.00		
Instructor (now tutorship) E. S. McCartney	1,200.00	\$ 450.00	
Assistants	240.00		
Contingent fund	300.00	50.00	
	<u>\$ 6,490.00</u>	<u>\$ 500.00</u>	
Music—			
Professor (now associate professor), F. L. Reed.....\$	2,700.00	\$ 300.00	
Tutor, Doris M. Bugbey.....	800.00	800.00	
Assistants	320.00		\$ 380.00
Contingent fund (including \$500 for the purchase of a grand piano)	1,500.00		250.00
	<u>\$ 5,320.00</u>	<u>\$ 470.00</u>	
Philosophy and Psychology—			
Associate professor of philosophy (now instructorship); G. W. Cunningham	2,750.00	\$ 1,550.00	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Associate professor of psychology (now adjunct professor) C. S. Yoakum	\$ 2,500.00	\$ 300.00	
Adjunct professor of philosophy (now instructor), A. P. Brogan	1,800.00	200.00	
Instructor in psychology, J. U. Yarbrough	1,300.00	200.00	
Assistant	200.00		
Contingent fund	700.00	35.00	
	<hr/>	<hr/>	<hr/>
	\$ 9,150.00	\$ 2,285.00	
Physics—			
Professor, W. R. Mather	\$ 3,250.00		
Associate professor (now adjunct professor), J. M. Kuehne.....	2,400.00	\$ 100.00	
Associate professor (now adjunct professor), S. L. Brown.....	2,400.00	100.00	
Instructor, Lula M. Bailey (with vote)	1,500.00		
Tutor, T. B. McCarter.....	900.00	180.00	
Assistants	1,700.00		
Mechanician, L. H. Gruber.....	1,750.00	130.00	
Laboratory assistant, A. A. Gruber	1,000.00	100.00	
Contingent fund (in addition to fees)	3,000.00		
	<hr/>	<hr/>	<hr/>
	\$ 17,900.00	\$ 610.00	
Public Speaking—			
Professor (part time; remainder of time devoted to Department of Extension, q. v.) E. D. Shur- ter	\$ 1,200.00		\$ 1,800.00
Adjunct professor.....	1,800.00	\$ 1,800.00	
Instructor, W. H. Mikesell.....	1,500.00		
Instructor, W. R. Duffey.....	1,200.00	200.00	
Instructor	1,100.00		300.00
Assistants	300.00		
Contingent fund.....	200.00		
Expenses of intercollegiate orators and debaters.....	200.00		
	<hr/>	<hr/>	<hr/>
	\$ 7,500.00		\$ 100.00
Pure Mathematics—			
Professor, M. B. Porter.....	\$ 3,000.00		
Adjunct professor, J. W. Calhoun	2,000.00	\$ 100.00	
Adjunct professor of actuarial mathematics, E. L. Dodd.....	2,000.00	100.00	
Adjunct professor, A. A. Bennett..	1,800.00		
Instructor, T. M. Simpson, Jr....	1,600.00	1,600.00	
Instructor, Mary E. Decherd (with vote)	1,200.00		
Instructor (now tutor), Goldie P. Horton	1,200.00	200.00	
Tutor	400.00		
Assistants	500.00	100.00	
Contingent fund.....	400.00	200.00	
	<hr/>	<hr/>	<hr/>
	\$ 14,100.00	\$ 2,300.00	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Romance Languages—			
Professor, Lila M. Casis.....\$	2,750.00		
Professor (now associate professor), E. J. Villavaso.....	2,500.00	\$ 300.00	
Adjunct professor, B. M. Woodbridge	2,000.00		
Adjunct professor, W. S. Hendrix	2,000.00	200.00	
Adjunct professor, G. F. Hall....	1,800.00		\$ 300.00
Instructor, E. R. Sims.....	1,500.00	1,500.00	
Instructor, O. F. Bond.....	1,400.00		
Instructor, Nina L. Weisinger (with vote).....	1,300.00	100.00	
Instructor, N. H. Clement.....	1,200.00		
Instructor	1,200.00		
Instructor (now tutor), Hilda L. Norman	1,000.00	1,000.00	
Instructor (now tutor), Mrs. M. K. Kress	1,000.00	100.00	
Tutor, Mary Stather Elliott.....	1,000.00	100.00	
Tutor, E. E. Zook.....	1,000.00	100.00	
Assistants	400.00		
Contingent fund.....	750.00	350.00	
	<u>\$ 22,800.00</u>	<u>\$ 2,550.00</u>	
Slavic Languages—			
Instructor, Charles Knizek.....\$	1,200.00		
Contingent fund.....	600.00		
	<u>\$ 1,800.00</u>		
Zoology—			
Professor, J. T. Patterson.....\$	3,000.00	\$ 250.00	
Associate professor, D. B. Casteel	2,500.00	300.00	
Associate professor (now adjunct professor) C. G. Hartman (absent on leave for the session of 1917-18 for graduate study)....	.....	.....	.....
Adjunct professor, T. S. Painter..	2,000.00		
Instructor (substitute for Associate Professor Hartman), R. L. Marquis	1,500.00		500.00
Tutor (now instructorship), Lillian Janoch	800.00		100.00
Assistants	1,000.00		
Technician, Almee S. Vanneman..	1,000.00		
Contingent fund (in addition to fees)	2,000.00		
	<u>\$ 13,800.00</u>		<u>\$ 50.00</u>
Total for the College of Arts..	\$301,290.00	\$ 9,635.00	
Graduate Department—			
Fellowships	\$ 1,000.00		
Fellowships (advanced).....	1,500.00	\$ 1,500.00	
Scholarships	1,000.00		
	<u>\$ 3,500.00</u>	<u>\$ 1,500.00</u>	
Department of Education:			
Agricultural Education—			
Associate professor, W. S. Taylor..\$	2,500.00		

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Adjunct professor (now instructor), C. P. Blackwell (absent on leave, without pay, for the first half of the session of 1917-18 for graduate study).....\$	900.00		\$ 900.00
Instructor, N. E. Fitzgerald.....	1,500.00		
Assistant	120.00		
Contingent fund (in addition to fees)	1,000.00		
	<u>\$ 6,020.00</u>		<u>\$ 900.00</u>
Art of Teaching—			
Professor (discontinued).....			\$ 2,600.00
Professor of secondary education, J. L. Henderson.....\$	3,000.00		
Adjunct professor (now instructor), C. T. Gray.....	2,000.00	200.00	
Assistants	320.00		
Contingent fund.....	500.00		250.00
	<u>\$ 5,820.00</u>		<u>\$ 2,650.00</u>
Educational Administration—			
Professor and dean of the Department of Education, W. S. Sutton \$	3,250.00		
Adjunct professor, B. F. Pittenger	2,200.00		
Assistant	200.00		
Contingent fund.....	150.00		
	<u>\$ 5,800.00</u>		
History of Education—			
Professor, Frederick Eby.....\$	3,000.00		
Assistants	200.00		
Contingent fund.....	350.00	\$ 50.00	
	<u>\$ 3,550.00</u>	<u>\$ 50.00</u>	
Philosophy of Education—			
Professor, A. Caswell Ellis.....\$	3,250.00		
Adjunct professor of the psychology of education, L. W. Sackett	2,000.00	200.00	
Adjunct professor of the psychology of education	1,800.00		100.00
Tutor (now assistantship), B. D. Wood	600.00		
Contingent fund	750.00		
	<u>\$ 8,400.00</u>	<u>\$ 100.00</u>	
Total for the Department of Education	\$ 29,590.00		\$ 3,400.00
Department of Engineering:			
Architecture—			
Professor and head of the Division of Engineering, Bureau of Economic Geology and Technology, F. E. Giesecke.....\$	3,000.00		
Associate professor, S. E. Gideon	2,500.00		
Adjunct professor, Raymond Everett	2,100.00		
Instructor and testing engineer in			

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
the division of Engineering, Bureau of Economic Geology and Technology, E. F. Rice.....	\$ 1,200.00	\$ 1,200.00	
Assistant	200.00		
Contingent fund	1,000.00		
	<hr/> \$ 10,000.00	<hr/> \$ 1,200.00	<hr/>
Chemical Engineering—			
Tutor	\$ 600.00	\$ 600.00	
Contingent fund (in addition to fees)	1,200.00	1,200.00	
	<hr/> \$ 1,800.00	<hr/> \$ 1,800.00	<hr/>
Civil Engineering—			
Professor and dean of the Department of Engineering, T. U. Taylor	\$ 3,500.00		
Professor and assistant dean of the Department of Engineering, E. C. H. Bantel	3,000.00	300.00	
Adjunct professor of highway and sanitary engineering and research associate in the Division of Engineering, Bureau of Economic Geology and Technology, R. G. Tyler.....	2,100.00		
Adjunct professor and research associate in the Division of Engineering, Bureau of Economic Geology and Technology, E. P. Finch	2,100.00	200.00	
Adjunct professor, A. A. Cother..	1,800.00		
Assistants	600.00		
Contingent fund (in addition to fees: Civil Engineering, \$1,300; Highway and Sanitary Engineering, \$500	1,800.00		
	<hr/> \$ 14,900.00	<hr/> \$ 500.00	<hr/>
Drawing—			
Associate professor, C. E. Rowe..	\$ 2,400.00	\$ 300.00	
Assistants	240.00		
Contingent fund	200.00		
	<hr/> \$ 2,840.00	<hr/> \$ 300.00	<hr/>
Electrical Engineering—			
Professor and research associate in the Division of Engineering, Bureau of Economic Geology and Technology, J. M. Bryant.....	\$ 3,000.00		
Adjunct professor, J. A. Correll..	1,800.00		
Instructor, J. W. Ramsey.....	1,500.00		
Assistants	800.00		
Contingent fund (in addition to fees)	2,000.00		
	<hr/> \$ 9,100.00	<hr/>	<hr/>

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Mechanical Engineering—			
Adjunct professor and research associate in the Division of Engineering, Bureau of Economic Geology and Technology (now instructor), H. C. Weaver.....	\$ 1,800.00	\$ 200.00	
Assistants	240.00		
Mechanician, O. R. Manlove.....	1,200.00		
Laboratory assistant, Fred Morris	940.00		
Contingent fund (in addition to fees)	1,500.00		
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	\$ 5,680.00	\$ 200.00	
Total for the Department of Engineering	\$ 44,320.00	\$ 4,000.00	
Department of Law—			
Professor and dean of the Department of Law, John C. Townes..	\$ 3,750.00		
Professor, W. S. Simkins.....	3,250.00		
Professor, B. D. Tarlton.....	3,250.00		
Professor, Lauch McLaurin.....	3,250.00		
Professor, I. P. Hildebrand.....	3,250.00		
Professor, R. E. Cofer.....	3,250.00		
Professor of law and government and assistant dean of the Department of Law, C. S. Potts...	3,000.00	\$ 200.00	
Professor (now associate professor), G. C. Butte.....	2,750.00	500.00	
Adjunct professor, E. W. Patterson	2,100.00	100.00	
Adjunct professor, A. L. Green...	2,000.00	200.00	
Adjunct professor, W. M. Cleaves	2,000.00	200.00	
Quizmasters	2,250.00		
Contingent fund for library.....	3,000.00		
	<hr/>	<hr/>	<hr/>
	\$ 37,100.00	\$ 1,200.00	
Physical Training: For Men—			
Director, L. T. Bellmont (with vote)	\$ 2,500.00		
Assistant director, W. J. Disch....	2,200.00	\$ 900.00	
Instructor, R. B. Henderson.....	1,700.00	200.00	
Instructor in physical training for teachers	1,500.00		
Assistant (discontinued)			\$ 350.00
Contingent fund (in addition to fees)	1,500.00	300.00	
	<hr/>	<hr/>	<hr/>
	\$ 9,400.00	\$ 1,050.00	
For Women—			
Director, Eunice Aden (with vote)\$	1,500.00		
Associate director, Louise H. Wright	1,300.00		
Instructor, Annie Lee Cosby.....	1,300.00	200.00	
Assistants	300.00		
Contingent fund (in addition to fees)	1,000.00	200.00	
	<hr/>	<hr/>	<hr/>
	\$ 5,400.00	\$ 400.00	
Total for Physical Training.....	\$ 14,800.00	\$ 1,450.00	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Library—			
Librarian, J. E. Goodwin (with vote)	\$ 2,800.00	\$ 400.00	
Reference librarian and curator of Texas books, E. W. Winkler..	2,000.00	200.00	
Head cataloguer, Mary E. Goff....	1,200.00		
Cataloguer, Martha Maud Smith..	960.00		
Supervisor of gifts and exchanges			
Wilson Williams	1,500.00		
Supervisor of loan, Annie C. Hill..	960.00		
Supervisor of serials and binding			
Elizabeth Tiffany	960.00		
Supervisor of accessions, Benonine			
Muse	780.00	60.00	
Assistant, LeNoir Dimmitt	900.00		
Assistant, Mary Lena Megee.....	900.00		
Assistant	840.00	840.00	
Assistant, Roberta Dulin	720.00		
Assistant	720.00	720.00	
Assistant, C. J. Alderson.....	660.00		
Assistant, Louise B. Storey.....	660.00	60.00	
Pages	900.00		
Engineering librarian, Viola Baker	600.00		
Law librarian, Ione P. Spears...	800.00*	80.00	
Assistant law librarians.....	400.00		
Books	8,000.00		
Binding (in addition to fees)....	2,500.00		
Stacks	20,000.00	8,000.00	
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	\$ 49,760.00	\$ 10,360.00	
Administration—			
Board of Regents, traveling expenses	\$ 1,200.00*	\$ 200.00	
*Payable out of the available fund.			
Office of the president, president, R. E. Vinson	6,000.00		
Secretary to the president, director of the University stenographic bureau and editor of University publication, F. W. Graff (with vote)	2,100.00	500.00	
Assistant secretary to the president, S. C. Polk	1,500.00	1,500.00	
President's traveling expenses...	1,200.00		
	<hr/>	<hr/>	<hr/>
	\$ 10,800.00	\$ 2,000.00	
Office of the Dean of the College of Arts—			
Secretary to the dean, Eva H. McDonald	\$ 900.00		
Office of the Dean of the Department of Law—			
Law registrar, H. J. Bruce.....	1,500.00	125.00	
Office of the Registrar—			
Registrar, assistant dean of the College of Arts, secretary of the Board of Regents, E. J. Matthews (with vote)	2,800.00*	550.00	

*Salary for all services, including Summer School work, formerly paid for extra.

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Record clerk, Anna Belle May....	\$ 1,100.00	\$ 100.00	
Assistant, W. Coronal Thomas....	900.00		
Extra summer help	250.00	75.00	
	<u>\$ 5,050.00</u>	<u>\$ 725.00</u>	
Student Life Staff—			
Dean of women, Mrs. Helen M. Kirby (with vote)	\$ 1,800.00		
Assistant dean of women (discontinued; duties formerly attached to this position to be discharged by Misses Osis, Lavender, Bailey and Dr. Holliday)			\$ 1,500.00
Student life secretary for men, W. A. Smith	1,500.00		
Student life secretary for women, Essie M. Davidson	800.00		
Dean of women's expenses.....	100.00		
Student help fund	500.00		
	<u>\$ 4,700.00</u>		<u>\$ 1,500.00</u>
Office of the Teachers Appointment Committee—			
Secretary to the committee, Miriam Dozier	\$ 1,100.00		
Salary for all services, including Summer School work, formerly paid extra.			
Office of the Auditor—			
Auditor, W. R. Long.....	3,000.00	500.00	
Assistant Auditor, E. R. Cornwell	2,000.00	400.00	
Bookkeeper, G. E. Halliday.....	1,600.00	300.00	
Special auditor	500.00		
	<u>\$ 7,100.00</u>	<u>\$ 1,200.00</u>	
Office of the Land Agent—			
Land agent, R. E. L. Saner.....	\$ 1,800.00		
Land agent's expenses	500.00		
	<u>\$ 2,300.00</u>		
Office of the Business Manager—			
Business manager, I. P. Lochridge	\$ 3,000.00		
Assistant business manager, A. M. Prater	1,500.00		
Business manager's expenses	500.00		
	<u>\$ 5,000.00</u>		
Total for Administration.....	\$ 39,650.00	\$ 2,750.00	
Stenographic Bureau—			
Stenographers and clerks	\$ 12,485.00		
Messengers	360.00		
Stamps, stationery and office sup-			

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
plies	\$ 6,800.00	\$ 600.00	
Equipment	2,000.00	2,000.00	
	<u>\$ 21,645.00</u>	<u>\$ 2,600.00</u>	

Physical Plant—

Resident architect, G. A. Endress.	\$ 2,400.00		
Draftman	500.00	\$ 500.00	
Superintendent of buildings and grounds, H. B. Beck.....	1,500.00		
Plumber and electrician, W. A. Darter	1,080.00		
Janitors	10,690.00	1,320.00	
Campus laborers	2,040.00		
Engineer of the power plant, A. M. Seiders	1,320.00	120.00	
Firemen	2,940.00		
Nightwatchman, J. T. Martin....	840.00		
Nightwachman	780.00		
Elevator men	590.00		
Foreman of workshop, Ernst Hoffman	1,380.00	1,380.00	
Addition to greenhouses	1,000.00	1,000.00	
Building and janitors' supplies...	2,000.00		
Campus	1,500.00		
Electric lights	2,500.00		
Fuel	7,500.00	1,000.00	
Furniture and floor covering....	2,100.00		
Gas	800.00		
Insurance	1,300.00		
Power for machinery	1,500.00		
Power house equipment and repairs	1,000.00		
Power house tools and supplies..	300.00		
Repair and improvement of buildings	6,500.00*		
Telephones	250.00	30.00	
Water	1,500.00		
	<u>\$ 55,810.00</u>	<u>\$ 5,350.00</u>	

*Payable out of the available fund.

General Expenses—

Catalogues	\$ 2,400.00	\$ 400.00	
Chapel services	500.00		
Commencement	800.00		
Faculty expenses	2,000.00		
Incidental expenses	3,000.00	1,000.00	
Printing	1,600.00	300.00	
University band	150.00		
University Glee Club	75.00		
University publications	5,200.00	1,200.00	
	<u>\$ 15,725.00</u>	<u>\$ 2,900.00</u>	

Bureau of Economic Geology and Technology:

Director's Office—

Director and head of the Division of Economic Geology, J. A. Udden (with vote).....	\$ 3,000.00		
Secretary to the director, Margaret E. Stiles.....	1,200.00	\$ 100.00	
	<u>\$ 4,200.00</u>	<u>\$ 100.00</u>	

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Division of Chemistry—			
Chemist and instructor in chemical engineering, Department of Engineering, W. T. Read.....	\$ 1,800.00		
Chemist, J. E. Stullken.....	1,700.00		
Contingent fund.....	1,500.00	\$ 500.00	
	<u>\$ 5,000.00</u>	<u>\$ 500.00</u>	
Division of Economic Geology—			
Geologist, J. W. Beede.....	\$ 2,500.00		
Geologist, C. L. Baker.....	2,250.00	\$ 150.00	
Assistant geologist, E. L. Porch, Jr.	1,700.00		
Contingent fund.....	6,250.00	350.00	
Surveying and preparing topographic county maps.....	7,500.00	7,500.00	
	<u>\$ 20,200.00</u>	<u>\$ 8,000.00</u>	
Division of Engineering—			
Testing engineer, J. P. Nash.....	\$ 2,000.00	\$ 200.00	
Laboratory assistant, G. A. Parkinson	1,200.00	300.00	
Contingent fund.....	2,100.00	500.00	
	<u>\$ 5,300.00</u>	<u>\$ 1,000.00</u>	
Total for the Bureau of Economic Geology and Technology	\$ 34,700.00	\$ 9,600.00	
Department of Extension:			
Director's Office—			
Director of the department (part time: remainder of time devoted to School of Public Speaking, q. v.), E. D. Shurter.....	\$ 2,400.00	\$ 2,150.00	
Secretary of the department, Houston Smith.....	1,500.00		
Printing	250.00		
Traveling expenses.....	1,000.00		\$ 200.00
Equipment	200.00		
Contingent fund.....	1,000.00		2,650.00
	<u>\$ 6,350.00</u>		<u>\$ 700.00</u>
Division of Extension Teaching—			
Head of the division, Thomas Fletcher (with vote).....	\$ 2,750.00	\$ 250.00	
Registrar of the division, Mrs. P. J. Anthony.....	1,200.00		100.00
Instructors (to be paid out of the extension teaching fees).....			600.00
Economics	\$ 500.00		
Education	1,200.00		
English	2,000.00		
French	600.00		
German	700.00		
Government	300.00		
History	850.00		
Latin	700.00		

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Mathematics .....\$1,000.00			
Spanish 800.00			
Printing\$ 600.00			
Traveling expenses..... 1,000.00			
Equipment 150.00			
Group-study libraries..... 300.00			
Advertising 500.00	\$ 200.00		
	\$ 6,500.00		\$ 250.00
Division of Information—			
Head of the division, G. S. Wehr-			
wein (with vote).....\$ 2,200.00			
Manager of exhibits..... 1,500.00			
Extension loan librarian, Edwin			
Sue Goree..... 1,000.00			
Assistant to loan librarian, Jean D.			
Campbell 480.00			
Reader for loan librarian, Louise			
W. Morris..... 300.00			
Printing 500.00	\$ 200.00		
Traveling expenses..... 800.00	250.00		
Equipment for loan library..... 300.00	300.00		
Exhibits 600.00			200.00
Lantern slides..... 400.00	400.00		
Miscellaneous 100.00			
	\$ 8,180.00	\$ 950.00	
Division of Public Lectures and Publicity—			
Head of the division and secretary			
of the faculties, J. A. Lomax			
(with vote).....\$ 2,700.00			
Cataloguer, Mrs. Charles Stephen-			
son 1,200.00			
Clipper 360.00			
Advertising and subscriptions.... 2,000.00			
Alcalde (discontinued).....		\$ 1,250.00	
Cactus 800.00			
Office expenses..... 1,500.00			200.00
Public lectures at University..... 1,000.00			
Texan 1,000.00			364.00
	\$ 10,560.00		\$ 1,814.00
Division of School and Home—			
Head of the division and lecturer			
on rural sociology, R. G. Bress-			
ler (with vote).....\$ 2,500.00	\$ 100.00		
Lecturer on home economics, Min-			
erva Lawrence..... 1,500.00			
Lecturer on home economics, Ger-			
trude L. Blodgett..... 1,500.00			
Lecturer on home economics (dis-			
continued) \$ 1,500.00			
Lecturer on rural education, E. E.			
Davis 1,600.00			
Lecturer on rural education, Aman-			
da Stoltzfus..... 1,500.00			
Assistant director of the Interschol-			
astic League, M. F. Vining..... 1,700.00			
Printing 1,800.00	\$ 200.00		
Traveling expenses for field work-			

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
ers	\$ 2,000.00		\$ 1,500.00
Equipment	250.00		200.00
Home economics week	1,200.00		
State meeting of Interscholastic League	1,000.00	\$ 300.00	
Miscellaneous	200.00	50.00	
	<u>\$ 16,750.00</u>		<u>\$ 2,550.00</u>

Total for the Department of Extension\$ 48,340.00 \$ 4,364.00

Summer Schools—			
Professors	\$ 7,500.00		
Associate professors	2,100.00		
Adjunct professors	2,400.00		
Instructors	7,600.00		
Tutors	750.00		
Assistants	825.00		
Administrative staff:			
Dean	\$500.00		
Dean of women	150.00	650.00*	
Printing and advertising	700.00		
Janitors and laborers	700.00		
Chemical supplies	700.00		
Building and other supplies	300.00		
Stenographic and clerical work	550.00		
Miscellaneous	300.00		
	<u>\$ 25,075.00</u>	<u>\$ 8,575.00</u>	

*Provision for Summer School work of other administrative officers included in the regular salaries attached to their positions.

Department of School Visitation—
(Discontinued)\$ 5,600.00

Total for the Main University..\$721,305.00 \$ 46,556.00

Woman's Building*—			
Director, Mrs. Neil Carothers	\$ 1,200.00**		
Business manager, Anna L. Henricks	1,200.00		
Stenographer	126.00		
Bookkeeping	120.00		
Electrical and plumbing work	120.00		
Laundry, kitchen, and dining room help	1,773.00		
	<u>\$ 4,539.00</u>		

University Hall*—			
Manager, Tom Gatlin	\$ 225.00	\$ 45.00	
Proctors (discontinued)			\$ 225.00
Bookkeeping	60.00		
Janitor, Jake Bleymeyer	1,000.00		
	<u>\$ 1,285.00</u>		<u>\$ 180.00</u>

*Appropriations indicated to be paid out of the receipts of University Hall.

*Appropriations indicated to be paid out of the receipts of the Woman's Building.

**In addition to her salary, Mrs. Carothers receives board and lodging for her daughter.

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
University Commons*—			
Manager, F. F. Veazey.....	\$ 1,800.00	\$ 50.00	
Bookkeeping	120.00		
Cooks	2,220.00	870.00	
Student help.....	1,320.00	456.00	
Servants	1,188.00	18.00	
	<hr/>	<hr/>	<hr/>
	\$ 6,648.00	\$ 1,394.00	

*Appropriations indicated to be paid out of the receipts of University Commons. The large increase in the appropriations is due to the fact that the Commons will be open practically the entire year.

Department of Medicine:

School of Medicine—

Anatomy: Professor, William Keller	\$ 3,500.00		
Associate professor, H. O. Knight	2,400.00		
Instructor, P. E. Luecke.....	1,200.00		
Contingent fund.....	2,085.00	\$ 540.00	
	<hr/>	<hr/>	<hr/>
	\$ 9,185.00	\$ 540.00	

Biological Chemistry—

Professor, W. C. Rose.....	\$ 3,000.00		
Associate professor (now adjunct professor), W. T. Garbade.....	2,400.00	\$ 400.00	
Fellow, J. S. Dimmitt.....	600.00		
Assistant	240.00		
Contingent fund.....	1,860.00	153.00	
	<hr/>	<hr/>	<hr/>
	\$ 8,100.00	\$ 553.00	

Diseases of Children—

Associate professor, A. G. Heard..	\$ 1,800.00		
Contingent fund.....	200.00		
	<hr/>	<hr/>	<hr/>
	\$ 2,000.00		

Histology and Embryology—

Associate professor, M. Charlotte Schaefer	\$ 2,400.00	\$ 400.00	
Instructor, Marguerite Ickes.....	1,200.00		
Contingent fund.....	600.00		
	<hr/>	<hr/>	<hr/>
	\$ 4,200.00	\$ 400.00	

Materia Medica and Therapeutics—

Professor and lecturer on physical diagnosis, Edward Randall.....	2,500.00		
Associate professor of pharmacology	2,400.00	\$ 2,400.00	
Contingent fund	1,000.00	900.00	
	<hr/>	<hr/>	<hr/>
	\$ 5,900.00	\$ 3,300.00	

Medical Jurisprudence—

Lecturer, Dick P. Wall.....	\$ 500.00		
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Obstetrics and Gynecology—

Professor, George H. Lee.....	\$ 3,000.00		
Instructor in gynecology, W. R. Cooks	800.00		

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
Instructor in obstetrics, B. F. Smith, Jr.....\$	600.00		
Instructor in gynecology, Ethel Lyon Heard	600.00		
Contingent	600.00		\$ 50.00
	<u>\$ 5,600.00</u>		<u>50.00</u>
Ophthalmology and Otology—			
Professor, S. M. Morris.....\$	1,000.00		
Lecturer, W. P. Breath.....	300.00		
	<u>\$ 1,300.00</u>		
Pathology—			
Professor, Henry Hartman.....\$	3,000.00		
Instructor, H. H. Starnes.....	1,500.00	\$ 300.00	
Contingent fund	800.00		
	<u>\$ 5,300.00</u>	<u>300.00</u>	
Physiology—			
Professor and dean of the Department of Medicine, W. S. Carter\$	4,000.00		
Instructor in physiology and pharmacodynamics, W. J. C. Wiemers	1,500.00		
Contingent fund	800.00		
	<u>\$ 6,300.00</u>		
Practice of Medicine—			
Professor, M. L. Graves.....\$	3,000.00		
Professor of medicine and clinical pathology (now adjunct professor), H. L. McNeil.....	2,500.00	400.00	
Instructor in clinical medicine and registrar of the John Sealy Hospital, C. T. Stone.....	800.00	200.00	
Instructor in clinical medicine, W. B. Reading	600.00		
Instructor in medicine, L. E. Chapman	600.00		
Instructor in clinical pathology and clinical medicine, M. D. Levy..	500.00	200.00	
Assistant	180.00	180.00	
Contingent fund	1,500.00	500.00	
	<u>\$ 9,680.00</u>	<u>\$ 1,480.00</u>	
Preventive Medicine—			
Professor, P. W. Covington.....\$	3,000.00		
Adjunct professor of bacteriology, C. B. McGlumphy	1,800.00		
Instructor in bacteriology, S. S. Fay	1,500.00	\$ 300.00	
Contingent fund	700.00		
	<u>\$ 7,000.00</u>	<u>\$ 400.00</u>	
Surgery—			
Professor, J. E. Thompson.....\$	3,000.00		
Adjunct professor and lecturer on			

Budget of the University of Texas for the Year 1917-18.—Continued.

	Recommended	Increase	Decrease
dermatology and genito-urinary diseases, A. O. Singleton.....	\$ 1,400.00		
Instructor, F. W. Aves.....	800.00		
Instructor, E. W. Clawater.....	600.00		
Instructor in surgical pathology..	600.00		
Assistant	180.00	\$ 60.00	
Contingent fund	830.00	30.00	
	<hr/>	<hr/>	<hr/>
	\$ 7,410.00	\$ 90.00	
 Total for the School of Medicine..	\$ 72,475.00	\$ 7,013.00	
 School of Pharmacy—			
Professor and lecturer on pharmacy in the School of Medicine, R. R. D. Cline.....	\$ 3,000.00		
Lecturer, J. C. Buckner.....	1,700.00		
Contingent fund	1,647.00	\$ 229.50	
	<hr/>	<hr/>	<hr/>
	\$ 6,347.00	\$ 229.50	
 School of Nursing—			
Instructor, Ethel D. A. Clay.....	\$ 1,500.00		
Assistant instructor and superintendent of University Hall, Nelle Phillips	1,020.00		
Contingent fund	200.00	50.00	
	<hr/>	<hr/>	<hr/>
	\$ 2,720.00	\$ 50.00	
 Administration—			
Provost, Thomas H. Nolan.....	\$ 2,000.00		
Administrative secretary, Rose E. Nolan	960.00		
Librarian, Eleanor Adams	960.00		
	<hr/>	<hr/>	<hr/>
	\$ 3,920.00		
 Laboratory Staff—			
Mechanic, Michael Little	\$ 1,200.00		
Techincian (vice assistants)	720.00	360.00	
Janitors and laboratory attendants:			
J. W. Schumacker.....	\$ 685.00		
John Carlson	660.00		
August Elbert	600.00		
Peter Stockfleth	600.00		
Charles Bock.....	600.00	300.00	
Laboratory attendant	120.00		
	<hr/>	<hr/>	<hr/>
	\$ 5,185.00	\$ 660.00	
 Physical Plant—			
Electricity	\$ 400.00	\$ 150.00	
Fuel	500.00		
Gas	550.00		
Insurance (eliminated for 1917-18)			\$ 1,600.00
Repairs	6,450.00	1,850.00	
Shop	100.00		
Water	300.00		
	<hr/>	<hr/>	<hr/>
	\$ 8,300.00	\$ 400.00	

General Expenses—		
Alcohol	\$ 150.00	\$ 15.00
Catalogues	450.00	
Commencement	125.00	
Incidentals	700.00	75.00
Library	1,000.00	
Postage	200.00	
President's traveling expenses	100.00	
Printing and stationery	175.00	25.00
Public health lectures and exhibits	300.00	
Special lecturer	175.00	
Telephone and telegraph	125.00	
Towels and laundry	150.00	25.00
	<hr/>	<hr/>
	\$ 3,650.00	\$ 140.00
University Hall—		
Janitor	\$ 400.00	
Servants	200.00	
Contigent expenses	200.00	
Fuel	300.00	
Gas	80.00	
Laundry	100.00	
Light	125.00	\$ 25.00
Water	150.00	10.00
	<hr/>	<hr/>
	\$ 1,555.00	\$ 35.00
Total for the Department of		
Medicine	\$104,152.00	\$ 8,527.50
Total for the Whole University	\$825,457.00	55,083.50

Budget of the Texas State School of Mines and Metallurgy for the Year 1917-18.

(1) Salaries—	
Dean and professor of mining and Metallurgy, S. H. Worrell	\$ 3,300.00
Professor of chemistry, F. H. Seamon	2,200.00
Professor of engineering, J. W. Kidd	2,200.00
Professor of geology and mining, H. D. Pallister	2,200.00
Instructor of engineering, T. J. Dwyer	1,320.00
Instructor in modern languages	1,200.00
Tutor in English and economics	350.00
Registrar	825.00
Lecturers	300.00
Assistant in chemistry	250.00
Librarian	250.00
Steward in the dormitory	250.00
Power plant attendant	250.00
Janitor	720.00
Janitor	350.00
Nightwatchman	600.00
	<hr/>
	\$16,565.00
(2) Schools and Laboratories—	
Assaying	\$ 440.00
Chemistry	480.00
Drawing and surveying	85.00
Mechanics	320.00
Mineralogy and geology	485.00

**Budget of the Texas State School of Mines and Metallurgy for the Year
1917-18.—Continued.**

Ore Testing	\$ 375.00
Physics	1,530.00
	<u>\$ 3,615.00</u>

(3) Current Expenses—

Advertising	\$ 180.00
Fuel, lighting and power plant supplies	850.00
Furniture	365.00
Campus expenses and supplies	125.00
Insurance	200.00
Janitor's supplies	85.00
Library	700.00
Office expenses	325.00
Water	500.00
Tank, Piping, etc.	600.00
Moving and erecting mill on new site	900.00
	<u>\$ 4,830.00</u>

(4) Contingent Fund \$ 1,500.00

Total for the Texas State School of Mines and Metallurgy..\$26,510.00

(The deposits just above offered in evidence by Counsel for Respondent are in words and figures as follows, to wit:)

Chas. B. Winn, Auditor, Austin, Texas.

Dr. Sheet No. 1. In account with the American National Bank of Austin, Texas, Cr.

Please examine and report at your earliest convenience. If not advised to the contrary within ten days after receipt, we shall consider this statement correct. All canceled vouchers returned herewith.

1914.

August:

1	\$ 29,290.63
3	2,308.05
5	37,387.48
10	3,357.33
20	20,890.41
24	8,758.45
27	3,759.78
29	1,693.80
31 Bal.....	69,000.00

September.

1	\$ 1,757.14
15	1,484.32
23	3,237.83
24	29,169.17
24	8,215.63
25	6,066.00
25	763.35
26	13,676.45
28	7,111.11
29	4,433.00
29	1,209.75
30	765.25
30 Bal.....	92,900.00

October.

2	2,137.81
3	2,965.20
6	2,557.88
10	7,752.49
13	2,344.18
17	53,485.01
24	647.73
31	1,609.12
31 Bal.....	109,700.00

November.

7	\$ 12,607.63
14	3,287.33
16	60,884.17
20	3,904.78
25	8,046.02
30	7,867.65
30 Bal.....	108,300.00

Chas. B. Winn, Auditor, Austin, Texas.

Dr. Sheet No. 2. In account with the American National Bank of Austin, Texas. Cr.

Please examine and report at your earliest convenience. If not advised to the contrary within 10 days after receipt, we shall consider this statement correct. All canceled vouchers returned herewith.

December.

5	\$ 3,822.62
11	20,490.12
15	38,828.68
19	8,283.45
23	2,166.10
23	50.00
31	24,840.26
31 Bal.....	53,100.00

1915.

January.

2	\$ 34,832.00
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5	8,382.73	29	11,376.11
7	3,637.55	30	7,259.35
9	2,408.22	30 Bal.	88,900.00
14	1,504.88	July.	
16	6,036.90	3	\$ 9,827.08
20	1,251.43	6	47,791.40
23	889.37	10	5,459.74
30	1,158.80	31	6,347.05
31 Bal.	60,300.00	31 Bal.	36,500.00

February.

3	\$ 1,982.56
5	676.86
9	10,967.82
13	1,058.82
15	98,740.90
19	1,782.64
27	11,712.53
28 Bal.	105,500.00

March.

1	\$ 38,470.32
4	671.76
8	6,344.83
13	1,214.05
20	5,621.84
24	758.68
27	30,286.25
31	878.64
31 Bal.	38,500.00

Chas. B. Winn, Auditor, Austin,
Texas.

Dr. Sheet No. 3. In Account With
the American National Bank
of Austin, Texas. Cr.

Please examine and report at your
earliest convenience. If not advised
to the contrary within 10 days after
receipt, we shall consider this state-
ment correct. All canceled vouchers
returned herewith.

April.

1	\$ 38,515.40
3	4,913.48
6	1,592.50
10	3,038.35
12	391.35
12	5.00
17	1,127.44
24	1,430.23
30	18,664.95
30 Bal.	82,100.00

May.

1	\$ 38,367.24
7	1,492.04
11	1,768.24
15	1,088.57
22	1,094.12
29	4,494.76
31 Bal.	74,400.00

June.

2	\$ 837.76
2	50,080.99
14	4,518.81
15	8,522.45
16	1,668.43
17	1,124.20
18	921.16
19	370.40
25	21,477.76

Chas. B. Winn, Auditor, Austin,
Texas.

Dr. Sheet No. 4. In Account with
the American National Bank of
Austin, Texas. Cr.

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earliest convenience. If not advised
to the contrary within 10 days after
receipt, we shall consider this state-
ment correct. All canceled vouchers
returned herewith.

August.

2	\$ 33,476.77
4	3,253.66
7	2,285.78
14	3,436.06
21	1,690.05
21	40,572.38
28	450.75
31	671.62
31 Bal.	53,000.00

September.

1	\$ 38,120.27
4	1,729.35
13	1,484.32
17	992.10
23	4,382.75
24	8,279.50
24	9,306.63
30	4,711.12
30 Bal.	88,900.00

October.

2	\$ 1,527.38
5	3,110.43
6	1,806.57
7	32,581.68
8	1,855.11
9	525.75
13	919.18
16	963.55
22	1,273.54
23	721.23
29	3,228.17
31 Bal.	75,500.00

November.

3	\$ 37,052.35
13	9,471.12
16	9,796.23
24	1,506.47
30 Bal.	61,300.00

W. R. Long, Auditor, Austin,
Texas.

Dr. In Account with the American
National Bank of Austin, Texas.
Cr.

Please examine and report at your
earliest convenience. If not advised
to the contrary within 10 days after
receipt, we shall consider this state-

ment correct. All canceled vouchers returned herewith.

December.

1	.....	\$ 53,515.93
4	.....	853.64
8	.....	32,050.67
20	.....	12,092.70
23	.....	2,270.73
31	.....	20,668.95
31 Bal.	.....	89,300.00

1916.

January.

4	.....	\$ 58,245.98
5	.....	9,863.29
7	.....	2,424.30
14	.....	15,894.34
14	.....	34,855.36
19	.....	4,060.37
20	.....	2,240.07
27	.....	32,442.05
31 Bal.	.....	149,200.00

February.

1	.....	\$ 38,138.00
5	.....	1,332.41
12	.....	1,287.80
19	.....	5,294.85
29	.....	14,313.58
29 Bal.	.....	69,000.00

March.

1	.....	\$ 37,060.61
3	.....	5,641.33
7	.....	5,425.54
13	.....	1,930.89
15	.....	24,434.23
18	.....	565.02
22	.....	908.00
31	.....	493.15
31 Bal.	.....	70,400.00

W. R. Long, Auditor, Austin, Texas.

Dr. In Account with the American National Bank of Austin, Texas.

Cr.
Please examine and report at your earliest convenience. If not advised to the contrary within 10 days after receipt, we shall consider this statement correct. All canceled vouchers returned herewith.

April.

1	.....	\$ 36,548.49
3	.....	4,293.99
4	.....	1,264.95
6	.....	1,662.40
8	.....	811.02
12	.....	6,126.75
18	.....	999.85
22	.....	470.73
25	.....	7,644.64
28	.....	622.54
30 Bal.	.....	80,300.00

May.

1	.....	\$ 42,550.32
4	.....	395.85
6	.....	1,915.05
9	.....	825.79
15	.....	993.76
18	.....	5,428.96

22	.....	1,160.87
27	.....	6,767.15
31 Bal.	.....	83,900.00

June.

2	.....	\$ 36,542.96
9	.....	235.39
13	.....	8,263.92
14	.....	6,714.44
15	.....	2,291.15
17	.....	1,914.88
20	.....	3,109.85
23	.....	902.10
26	.....	777.71
28	.....	23,407.27
30	.....	11,004.95
30 Bal.	.....	109,300.00

July.

1	.....	\$ 54,595.26
5	.....	17,544.77
8	.....	1,337.55
11	.....	277.12
15	.....	4,991.31
26	.....	1,347.50
28	.....	2,285.87
31	.....	815.10
31 Bal.	.....	126,500.00

W. R. Long, Auditor, Austin, Texas.
Dr. In Account with the American National Bank of Austin, Texas, Dr.

Please examine and report at your earliest convenience. If not advised to the contrary within 10 days after receipt we shall consider this statement correct. All canceled vouchers returned herewith.

August.

1	.....	\$ 32,788.02
5	.....	323.28
10	.....	22,655.99
19	.....	2,255.04
22	.....	3,588.47
24	.....	798.00
29	.....	2,386.68
31	.....	5,585.58
31	.....	200.00
31 Bal.	.....	75,600.00

September.

2	.....	\$ 34,506.67
5	.....	963.90
8	.....	1,181.28
11	.....	7,618.04
12	.....	8,232.32
19	.....	1,150.40
22	.....	674.08
28	.....	5,993.55
29	.....	9,723.60
30 Bal.	.....	100,200.00

October.

2	.....	\$ 14,251.20
2	.....	34,693.65
4	.....	3,304.78
7	.....	5,024.47
7	.....	33,832.50
9	.....	1,874.74
13	.....	2,103.60
14	.....	846.05
18	.....	1,056.18
20	.....	318.30

23	1,930.28
25	372.62
27	670.39
30	10,345.14
31 Bal.	151,700.00

November.

4	\$ 1,621.57
6	302.05
8	1,489.39
10	829.22
14	1,088.12
16	38,507.43
20	442.24
22	6,232.95
24	10,374.77
25	792.00
28	154.60
30 Bal.	89,100.00

W. R. Long, Auditor, Austin, Texas.
Dr. In account with the American
National Bank of Austin, Texas, Cr.

Please examine and report at your
earliest convenience. If not advised
to the contrary within 10 days after
receipt, we shall consider this state-
ment correct. All canceled vouchers
returned herewith.

December.

1	\$ 38,867.69
4	711.25
8	321.00
12	1,246.39
14	4,125.81
19	708.52
22	711.06
31 Bal.	67,200.00

1917.

January.

2	\$ 43,686.40
3	46,484.85
4	28,330.94
5	9,791.96
8	11,595.21
9	2,665.26
12	1,757.77
15	1,741.50
18	473.60
20	1,875.95
25	1,931.70
27	946.06
30	457.50
31	410.21
31 Bal.	149,100.00

February.

1	\$ 38,721.02
3	19,125.98
6	6,555.71
8	1,682.63
10	465.30
16	687.75
17	3,822.60
24	455.25
27	635.92
28	288.95
28 Bal.	73,200.00

March.

1	\$ 40,378.63
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3	2,641.67
5	23,984.14
6	960.55
9	543.60
13	536.19
21	769.52
24	810.19
27	4,982.22
30	525.65
31	66,317.53
31 Bal.	137,900.00

W. R. Long, Auditor, Austin, Texas.
Dr. In account with the American
National Bank of Austin, Texas, Cr.

Please examine and report at your
earliest convenience. It not advised
to the contrary within 10 days after
receipt, we shall consider this state-
ment correct. All canceled vouchers
returned herewith.

April.

4	\$ 1,484.39
5	774.00
6	1,280.85
9	334.00
14	386.40
18	447.04
20	277.59
24	8,364.66
26	1,096.41
30	65,745.22
30 Bal.	142,900.00

May.

7	1,208.42
11	853.28
18	595.23
24	992.07
28	983.60
31 Bal.	76,300.00

June.

4	\$ 57,338.43
12	17.00
14	7,427.90
15	7,392.73
16	508.75
18	4,377.44
19	2,348.35
20	3,193.77
21	854.60
22	850.75
23	621.00
25	442.58
26	308.89
28	1,152.10
28	5,394.00
30	50,103.94
30 Bal.	132,300.00

July.

2	\$ 22,742.05
3	26,269.83
5	4,913.71
7	2,516.74
9	645.60
12	435.35
12	32.00
13	8,354.40
19	6,115.76

20	484.15
25	1,988.81
26	5,000.00
27	1,132.00
28	863.77
30	1,117.78
31	1,364.70
27	42.50
31 Bal.....	82,000.00

W. R. Long, Auditor, Austin, Texas.

Dr. In account with the American National Bank, of Austin, Texas. Cr.

Please examine and report at your earliest convenience. If not advised to the contrary within 10 days after receipt, we shall consider this statement correct. All canceled vouchers returned herewith.

August.

2	\$ 34,684.38
6	67,192.68
8	5,805.80
10	4,856.25
13 Bal.....	148,400.00

Thereupon, the Respondent,

JAMES E. FERGUSON,

was administered the following oath by the Chair, viz.:

"You do solemnly swear that the evidence you shall give upon this hearing by the Senate, sitting as a Court of Impeachment, in the impeachment of James E. Ferguson, Governor, shall be the truth, the whole truth and nothing but the truth, so help you God?"

And in answer to questions propounded, the witness testified as follows, to wit:

Direct Examination

By Mr. Hanger.

Q. Your name is James E. Ferguson?

A. Yes, sir.

Q. You were elected Governor of this State when?

A. November, 1914.

Q. Re-elected again in November, 1916?

A. Yes, sir.

Q. Governor Ferguson, where—how old are you?

A. I was forty-six years old the 31st day of last month.

Q. Where were you born?

A. Seven miles south of Belton, Bell county, Texas.

Q. Have you lived in Bell county all your life, or not?

A. Not all my life, but to the time I was sixteen years of age I had lived in the county.

Q. Was your father an early citizen of that county?

A. Moved to Bell county from Victoria county in 1867.

Q. What was his business?

A. My father was a Methodist minister, and served twenty-seven years upon the Methodist conference and for the last of his life was a local preacher, engaged in business pursuits.

Q. You said that until about the time you were sixteen years old you lived in Bell county. Was that about the time of your father's death?

A. No, sir. My father died in January, 1876, when I was just barely four years old.

Q. Oh, yes. Where did you live from the time you were sixteen years old on, and for what period of time?

A. Well, I lived at different places. My school days were over the summer of 1887. I—after quitting school I went that fall to Collin county, picked cotton in the cotton fields of Collin county, until along late in the fall, and then I went to work on the building of the Cotton Belt Railroad, from Commerce to Fort Worth—I went to work at Commerce in the position of, at that day and time, and known to the vernacular of that day and time, as a "mule skinner," a driver of mules; and later on, in the winter, became connected with the cooking department of a bridge gang that was building the bridges on the Cotton Belt extension to Fort Worth; my official position was that of washing the tin dishes in the bridge gang, and I stayed with that gang until the road reached Fort Worth, in the spring of 1888, and when the work was completed, I then went into—went back to Bell county for a short time, and later on in the year I went to California. While in California—

Q. What business did you follow there?

A. While in California I followed different occupations; I lived wholly by my own muscle and brawn, and the first position I had was driving a plow team on a grain farm—or grain ranch, they called it, near Merced, in the county of Merced, California. I worked there some months, and later on went to San Francisco, and worked in a barb wire factory in San Francisco, down on the place known as the—famously known as the famous Barbary Coast. After working there some time I went back

down into the Fresno country and worked in the vineyards of California for sometime. Then, I made a short trip up into Washington Territory, and for a short time only worked in one of the lumber camps out from Seattle. I then returned to California for a short stay, and then went over to Nevada, and for a short time, why, I worked in the mines in—near Virginia City. I then went from there down into Colorado—to Denver, Colorado, and while in Colorado I worked in two places: I waited on a table in the Arcade Restaurant, and then I went from there—I was a bell boy in the Windsor Hotel in Denver, Colorado. After spending some months in Colorado I again returned to Texas.

Q. How old were you then when you came back to Texas?

A. Well, I was gone on that trip approximately two years, and I would be in the neighborhood of eighteen years old. I then went to work with a firm that was building a bridge near where I was born and raised, across the Lampasas river. I went to work for them intending to make \$5.00, to get a railroad ticket to get out of the country; I stayed in the business about five or six years. I worked about three years as a laborer in the erection of country bridges in different counties of the State—Caldwell county, Wilbarger county, Hardeman county, Brown county and Karnes county—and then I went to work at the same business—that of a bridge man on the I. & G. N. railroad, and helped to erect a large bridge across the Trinity river at Riverside, in Walker county, on the line of Walker and Trinity counties.

Senator Bailey: Governor, speak a little louder, please?

Q. A little louder?

A. I worked, helped to build the bridge across Brushy Creek, up here in Williamson county, and across the Guadalupe down at New Braunfels. Then, after the work was completed on that road, I worked on the Austin & Northwestern, helping to erect the iron work and the wood work on the bridges from Fairland to Llano. I then—when the work was completed at these different places, I would always go back to the old home in Bell county, and there stay for a short time, and would go out to work again. I then after that time went to work on the—as I re-

member it now—on the—for the Katy Railroad—no, before that time I helped erect the railroad bridges on, extending the road from Boggy Camp into Houston, what they called the "Stormy Division" of the Katy, and from that work I went into the service of the Katy pile driving, and worked about two years, a little over two years, in the capacity of pile driver man on the pile driver train of the M. K. & T. Railroad. I then after that service returned to Bell county and resided with my mother at the old homestead for about two years, during which time I got some knowledge of the elementary principles of law as best I could from my own reading, and I think it was in January, 1897, I was admitted to practice law in Bell County. I engaged in that business, as the saying is, I threatened to practice law for about six or seven years at Belton, in Bell County, doing such practice as the ordinary lawyer in that kind of town would do. After—or during that time, I also became a part owner in an abstract business, and incidental to that I became interested in an insurance agency, and from that I gradually drifted into the loan and trust company business, and from that business into a banking business, and organized the Farmers State Bank at Belton in—I forget now, but about 1905, at Belton—it was Charter No. 25 of the State Banking Law. I engaged in the banking business at Belton probably not over a year and a half; I think perhaps I had opened—I went to Temple later, and after a while, probably five or six months, I still retained my banking interest in Belton, and while I had it in Temple. I moved my family to Temple in 1907, though I had been engaged in the—had organized the Temple State Bank in April, 1906, and from 1906 until 1913, I was engaged in the banking business in Temple. Previous to this time, however, my business had grown to some larger proportions than it had theretofore been and I became engaged in farming in Bell County to a more or less extensive degree; and after I went to Temple, I probably in three years, about 1910 or 1911, probably the latter part of 1911, I became the owner of a ranch in Bosque County, and as the result of becoming the owner of that ranch I gradually drifted into the matter of breeding

cattle, and since that time I have been engaged in, quite extensively in the—so far as my finances would permit and my credit would permit—in the cattle business, in connection with the banking business.

Q. Have you, since the time that you stopped practicing law, as indicated, ever re-engaged in it?

A. I believe not—I think, perhaps, I took part in the trial of no case except in some case in which I was personally interested.

Q. Personally interested in it? When did you marry, Governor?

A. I married the last day of December, A. D. 1899.

Q. You have a wife and two children—two daughters?

A. I have a wife and two girls, one sixteen, and one fourteen. As I say, up to 1913, when the political bee stung me, I was engaged in the banking business, and then became a candidate for office. After nineteen—as soon as I announced for office, I became very much involved in the matter of my campaign, and during the latter part of 1913 and in 1914, my time was given almost exclusively to my campaign for Governor.

Q. At that time who looked after your personal affairs, after you announced for Governor and began your campaign and up to the time of your nomination?

A. My ranch and farm business were looked after to a large extent by Mr. John G. McKay, afterwards Secretary of State; and my banking matters and financial matters were looked after largely by Mr. C. A. Hughes, then President, or Cashier, of the Temple State Bank. J. H. Davis had come into my employ after I came to Temple, and he had grown up with my business, and was, perhaps, as well acquainted with it, or more well acquainted with it, with the details of it, than I was myself. After the primaries in 1914, and before the time I was officially elected Governor, in November, and inaugurated in January, my time was more than ever preoccupied with the matter of becoming Governor. Everybody knows that is the period when you are waited on by your many friends who are willing to serve the State in some capacity, and I had, perhaps, the usual number of calls, that the nominee for Governor has at that time, and I had no time to

pay—no time for my business, only just with intermittent periods when I would talk to the men who were in charge of my business. After I became Governor, after I came to Austin and was inaugurated in January, 1915, it has not, as the saying is, been only "one blamed thing after another," but it has been "one blamed thing all the time." Since the Legislature was in session, many important matters of legislation were up before the Legislature, and many different kinds of legislation to handle—the Governor's office at all times was filled with people either wanting some legislation for their benefit, or wanting some legislation to be defeated, or for some friends to be appointed to office, or some of their friends to—or some of their enemies put out of office, or wanting some of their friends pardoned, and, truly, without exaggeration, I think I am safe in saying that the filling of the office of Governor of Texas involves the doing of a thousand and one things by a thousand and one people, with a thousand and one different kinds of ideas, and it is absolutely impossible for any man to undertake to perform his duties as Governor and pay any attention to the details of any business of any extensive importance. And no sooner had the Legislature adjourned than the border troubles broke out, and it was a continual and incessant demand from the people on the border for protection, and for the sending of rangers here and there, and up to that time you will recall—the record will show that the government did not have anything like a sufficient number of soldiers to sufficiently patrol the border, and the matter of protecting the border was largely in or devolved upon the Governor's office, and all through that year it was one of continual anxiety and apprehension about what that result would be. Fortunately, along towards the latter part of the year the administration at Washington became friendly to the administration in Texas, and they began to extend us the very beneficial co-operation, and that was more or less taken charge of by the War Department, through the instruction of the President; and so, from that time on down to this—I do not say this in any spirit of braggadocio, but I think I am entitled to state this—that I put in more hours in performing the func-

tions of the government than any man that works in this capitol, and I do not exclude the negro porters; I got to my office on the average at a quarter to eight o'clock every morning, and invariably when the porters go at five o'clock in the evening, it has been my duty, in order to keep up with the work, to stay long hours after even the negro porters have gone and left the capitol; I do not believe—I think I am safe in saying that there is not but one man in this capitol that put in as many hours as I do, and that is Judge Nelson Phillips, and he has three months vacation every year, and I never had three weeks—I went to my ranch this summer to have three weeks, but before the time was gone, the story you know—I had to come back to Austin; the point I want to get is, no man can fill the Governor's office and pay any attention to the details of his business, if his business amounts to anything of importance.

Q. Now, Governor, we will begin with these charges in their order, according to their number, and I will read to you the first one:

"Article 1. That there was paid from the funds of the Canyon City Normal School deposited with the Temple State Bank on August 23, 1915, a note of \$5,000 together with \$600 interest due by Jas. E. Ferguson to the First National Bank of Temple, Texas. That said amount has never been refunded to the State of Texas. That in part payment of the total due for the building of the Canyon City Normal College he used other funds, a portion of which belonged to the State, and the balance being in his hands as Governor, and deposited to his credit as Governor in the American National Bank of Austin, which acts constitute a violation of law."

Governor, did you come into possession of any funds belonging to the West Texas Normal School?

A. I did.

Q. If so, when and how and from whom, where was it, and what did you do with it?

A. Perhaps on the first or second day after my inauguration, Governor Colquitt turned over to me the sum of one hundred one thousand six hundred and seven dollars and some odd cents.

Q. Six hundred and seven dollars and eighteen cents?

A. When I say he turned it over

to me I do not mean to say that he turned over to me that sum at one time. This fund, upon information received from him, was a fund which had come into his hands as the result of certain collections upon certain policies of insurance which the State had carried upon the building of the West Texas or the Canyon City Normal School building. He did not turn over the money in one draft and did not turn over any cash, but the money was turned over to me in this way,—it had been previously deposited in banks—I want to get this memorandum, just a minute, indulge me just a minute—(referring to file of papers); Governor Colquitt had the money in the following institutions, and turned the money over to me by checks and drafts upon these institutions,—the First National Bank of Canyon City, \$10,000, interest collected on same \$66.67; Texas Trust Company at Austin, \$10,000; First State Bank of Canyon City, \$5,000, interest included in draft, \$81.11; First National Bank of Plainview, \$25,000, interest collected on same \$607.07; First National Bank of Amarillo, \$45,839.48, interest collected on same \$166.46; deficiency warrants \$4,846.45: total, \$101,607.18. To make this plain, this was the final amount which I received from these banks that had been—by checks turned over to me by Governor Colquitt—and the First National Bank, the Third National Bank of Plainview had \$25,000 of the money and I think it was some two or three months before I finally collected all that money. The First National Bank of Amarillo, I think it was probably six weeks or two months before all that money was collected. The Texas Trust Company amount was paid, I think, the same day that I came in office—that is, that I had the settlement with Governor Colquitt. The First State Bank at Canyon City shortly afterwards paid that draft. Deficiency warrants of \$4,846.45 were turned over to me by Governor Colquitt as part of the fund, and it seems though that he had cashed warrants issued upon deficiency warrants upon the building; there was some building, I forget, it strikes me—I am not sure about this, but about the building of some building here in Austin, I don't know what it was; but he had collected those warrants and turned them over and I accepted them; he had invest-

ed the Canyon City funds in those warrants, and later on the Legislature made an appropriation, I think some three or four months afterwards the Legislature made an appropriation to cover these warrants and they were collected and put in that fund. After the—as the money was collected by me it was deposited in different places; I think I deposited some \$40,000—some \$35,000 or \$40,000 in the American National Bank, approximately \$40,000 in the Temple State Bank, and I think \$2,500 in the Heidenheimer State Bank, and I think \$2,500 was deposited in some bank in Lubbock—some State Bank, and \$2,500 was deposited in a bank in Bastrop, about which Senator Page explained the other day, and \$2,500 was deposited in the Union National Bank at Houston; and as the work progressed remittances were made by those banks to me, and that money was deposited, in turn, in the Temple State Bank and perhaps in the American National Bank at Austin. When I came into office I learned that the contract for the erection of the building had been entered into about—on about the 14th of December, 1914, just two or three weeks previous to my inauguration, probably a little over a month; that contract provided that the building should be completed September 1st—

General Crane: Now, we prefer to have that contract, Mr. President.

The Witness: Mr. Turner testified to that the other day.

Mr. Hanger: Well, Mr. Turner was to produce it, and he was your witness, and hasn't done it, I thought maybe he had done it.

General Crane: No.

Mr. Hanger: We will have him to have it here. That is not a disputed question, however.

General Crane: But we prefer to have the contract.

The Chair: The contract will be produced.

Mr. Hanger: All right.

A. Well, anyhow, I was told by the officials that the building was to be completed, under the contract, by September 1st, 1915, which would be about seven months—only about seven months after I had received the funds which I have described. As that money had—as I found that money in the hands of the Governor the result of a collection for a special purpose, I deemed

it my duty under the law to see that the money was applied to the special purpose for which it had been collected, and for that reason I held possession of the money to see that it was applied for that special purpose. From time to time, the contractor, Mr. Gross—I don't know whether he is president, but some official—as some official, represented the Gross Construction Company, who had the erection of the building under hand, would call at my office with his estimates approved, as they were required to be by the inspector from the Department of Masonry; and then in turn approved also by the inspector himself; and when those estimates were furnished to me I looked at them and saw that they were properly approved, and immediately I would cause my private secretary—assistant private secretary, Mr. Davis, to carry a check to the Treasurer.

Mr. Hanger: Now, Governor, let me interrupt you just a moment; and as a part of the Governor's testimony we desire to read into the record at this point, in connection with his statement that this building was to be completed in seven months, or by the first of September—we desire to read into the record Chapter 9 of the Acts of the Thirty-fourth Legislature appropriating this sum, and Section 5, particularly, appropriating the sum of one hundred thousand dollars of insurance money collected on the Canyon Normal School, and appropriating that amount. Approved February 12th, 1915; takes effect ninety days after adjournment. And we also read into the record the statement on the front page of the pamphlet: "General Laws of the State of Texas passed by the Thirty-fourth Legislature at its Regular Session, convened January 12, 1915, and adjourned April 20, 1915."

(Chapter 9 of the Acts of the Thirty-fourth Legislature, above referred to and offered in evidence, reads as follows):

APPROPRIATIONS—AUTHORIZED DEFICIENCIES—ENFORCE- MENT LIQUOR LAWS.

Chapter 9.

S. B. No. 56.]

An Act to make appropriations to

cover authorized deficiencies for the fiscal year ending August 31, 1913, and to cover authorized deficiencies for the fiscal year ending August 31, 1914, and to cover authorized deficiencies for the fiscal year ending August 31, 1915, making a special appropriation for enforcement of laws regulating the sale of intoxicating liquor, and to make a special ap-

propriation for the support of the University of Texas for the fiscal year ending August 31, 1915.

Be it enacted by the Legislature of the State of Texas:

Section 1. That the following sums be and the same are hereby appropriated to cover deficiencies for the purpose named for the fiscal year ending August 31, 1913:

For support and maintenance of the Confederate Home.....	\$ 8,550.00
Medical supplies, instruments, etc. for Confederate Home.....	400.00

Sec. 2. That the following sums be and the same are hereby appropriated to cover deficiencies for the purpose named, for the fiscal year ending August 31, 1914:

For support and maintenance of the Blind Institute.....	\$ 22,500.00
For fuel for the Blind Institute.....	600.00
For Governor's mansion, water, fuel, lights, etc.....	1,000.00
For Governor's office, books and stationery.....	938.05
For Deaf and Dumb Institute, repairs to building and grounds..	2,400.00
Furniture and beds for Deaf and Dumb Institute.....	600.00
For State Lunatic Asylum, repairs.....	3,000.00
(For salary of store-keeper and accountant, \$300.00).	
For State Literary (Library), contingent expenses.....	600.00
For salary of store-keeper and accountant.....	300.00
For Texas Employers' Insurance Association; expense of Board in organizing the Association.....	3,500.00
For Adjutant General's Department; to pay members of Texas National Guard in active service.....	60,000.00
For Department of Insurance and Banking; postage, Express, Telegraphing, etc.	1,000.00
Expenses of Commissioner in enforcing insurance and banking laws	1,633.30
For public printing; for printing, first, second, and third class printing	3,500.00
For Public Buildings and Grounds; oil and waste for engines; stationery, drawing paper, etc.....	200.00
For Industrial Accident Board; clerical help, traveling expenses, etc.	1,272.98

Sec. 3. That the following sums be and the same are hereby appropriated to cover deficiencies for the purposes named, for the fiscal year ending August 31, 1915:

For Governor's mansion; water, fuel, lights, etc.....	\$ 1,500.00
For Confederate Woman's Home, support and maintenance...	4,000.00
For Blind Institute, support and maintenance.....	22,500.00
For Department of Insurance and Banking; expenses of Commissioner in enforcing insurance and banking laws.....	3,900.00
For State Literary (Library); contingent expense, 1915.....	400.00

Sec. 4. That the sum of \$352,745.89 be and the same is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated as an emergency appropriation to supplement the income from the University Permanent Fund, for the support of the University of Texas for the fiscal year ending August 31, 1915.

Sec. 4a. That the sum of three thousand dollars or so much thereof as may be necessary is hereby appropriated out of any moneys in the Treasury not otherwise appropriated

to be expended under the direction of the Comptroller of Public Accounts for enforcement of all laws regulating the sale of intoxicating liquors, for the fiscal year ending August 31, 1915.

Sec. 5. That the sum of \$100,000 of insurance money collected on the Canyon Normal School (West Texas State Normal) and the interest thereon be and the same is hereby appropriated in part payment of the new building for that institution now under contract; that the additional sum of \$54,754 be and the same is hereby appro-

priated out of any money in the State Treasury not otherwise appropriated for the completion of the Canyon Normal School.

Sec. 6. Whereas there are no appropriations to pay the deficiency claims above enumerated which are outstanding, are just and legal demands against the State; and, whereas, the emergency appropriation above provided for the University, and the appropriation of insurance money, and the additional sum of \$54,000 for the completion of the Canyon Normal School buildings now under contract, are necessary and just demands.

Therefore, an emergency (and) imperative public necessity exists which justifies the suspension of the constitutional rule requiring bills to be read on three several days in each House, and that this Act take effect and be enforced from and after its passage, and it is so enacted.

(Note.—S. B. No. 56 passed the Senate on January 21, 1915 by a vote of yeas 22, nays 2. Passed the House on February 4th with amendments by a vote of 115 yeas, 19 nays. Senate concurred in House amendments on February 4, 1915, by a vote of 18 yeas, 3 nays.)

Approved February 12, 1915.

Takes effect 90 days after adjournment."

Q. Governor, ninety days after that would have been—May, June, the 20th of July, would it not?

A. Yes, sir.

Q. Just a little more than a month from the time that the construction of the building was to be completed?

General Crane: I think, Mr. President, the examination is leading.

The Chair: Don't lead the witness.

Q. Well, how long was it from the 20th day of July, until the time that the building, under the contract, was to be completed?

A. Forty days.

Q. I beg your pardon for the interruption, Governor, but I wanted that in right here.

A. Yes, sir. As I was about to state, the contract having been previously entered into before I came into office, and the money in my hands having been appropriated by the Legislature for the building of the building, he completed as early as September 1, I did not think it—I did not deem it wise or in keeping with any known business principle to undertake to collect any interest on the money by

agreeing with some bank to leave the money there for a certain time, because I did not know and could not know just how fast the building operations would progress, and did not know and could not know what sum or sums of money that I might be called upon at any time to pay, and for that reason I put the money in these banks so that I might have it accessible at all times for the payment of the funds as they were needed under the contract which the State had entered into through its Board of Normal Regents. In a general way, the custom of paying the money into the Treasury was by having the money remitted to the American National Bank from the Temple State Bank when funds were needed from that bank, and by giving a check upon the Treasury—I mean giving a check on the American National Bank to the Treasury, payable to J. M. Edwards, State Treasurer, for the credit of the West Texas Normal, and all the checks read in evidence here by Mr. Davis represent the payments to the Treasury as they were made under my instructions, putting that fund into the State Treasury. We received a receipt from the Treasury in the nature of a deposit warrant, showing that it went to that special fund, and I never knew until the other day—I had heard it in a general way, but I never knew until the other day when Mr. Gross was on the stand, that he had ever been required to discount his warrants. The receipts showed—I call attention to the fact that the receipts showed that that money was paid into the Treasury into a special fund.

Q. Are these the deposit warrants that are now exhibited to you? (Counsel exhibits deposit warrants to the witness.)

A. Those are the deposit warrants.

Q. Signed H. B. Terrell?

A. They show on their face that they were to the credit of the West Texas Normal, in pursuance of the special fund which had been created by the Act of the Legislature after I had been inaugurated Governor; and, as I said, I never knew—I had heard that some other people had discounted their warrants, but I never knew that Mr. Gross had ever been required to discount his warrants. As he stated, he never said anything to me about it, and I never dreamed that any such requirement was being placed upon him or required of him.

The money was there, and never at any time was it longer than it took to write a check and for me to sign it and for the Secretary to take it over to the Treasury that anybody had to wait for the money to be put into the Treasury. On one occasion I remember I went to South Texas, and I left a check for \$10,000 in order that the thing might be paid promptly, left a check for \$10,000 with the Secretary to pay it in case any estimate came in.

Q. Did you know that that fund was being put into the General Revenue and then would have—that such a custom existed, that it would have to await its turn?

A. Never heard of such a thing and the deposit warrants showed the other way, that it was receipted for the special fund, and I never thought for a minute that anybody was undertaking to divert that fund and put it in a special fund and claim that there should be a deficiency as a result of it. Now, coming back to the \$5,600 item, the first time that I knew anything about the \$5,600 item was at the time in July, when I appeared before the Travis County grand jury. After I had appeared before the grand jury which was in July, 1917,—the charge appears to have been made in August, 1915, nearly two years before—after appearing before the grand jury I came back to my office and suggested to Mr. Davis to get me up a statement of my personal account and the Canyon City account and all the information pertaining to it. He then for the first time brought to me this statement which has been exhibited in evidence here, from the Temple State Bank, bearing date, it says (referring to statement), for the month of September 1, 1915, and attached to it were these four charge tickets which Mr. Davis has exhibited to the Senate—to the Court. Why that should have been made against my account, I don't know, and why it should have been thought necessary to have charged it against my account I don't know. At that time I owed the Temple State Bank approximately \$30,000 and my financial ability was not questioned by any bank or banker in Texas. I subsequently, with the advice and consent of the Board of Directors of the Temple State Bank, borrowed, as has been shown in evidence here, considerably over a hundred thousand dol-

lars, and it would have been only for the mentioning of the fact to have had that \$5,600 charged to my account.

Q. Your personal account?

A. My personal account; or, if there had been any question about it, they could have attached the note to a draft on me at Austin, and it would have been paid promptly. Whether I had the money or not, I think I am safe in saying that I could have borrowed that much money from any bank in Austin, because they had all offered me—repeatedly insisted on my coming around and doing business with them and extend to me the full facilities of their bank. So it appears, though, that it was charged to my account, and that charge ticket was made in the handwriting of C. A. Hughes, the then Cashier of the Temple State Bank—Mr. Hughes is not now Cashier of the Temple State Bank. And, if I may be permitted to say, the fact that that statement, that charge was made as it was made by the officials of the bank and written in bold handwriting upon the face of the charge slip that it was for my personal note, makes it quite evident that the way that it was charged and the record that was there made, that it was erroneously made, and from no bad motives or purposes. I had previously given Governor Colquitt my receipt for the entire amount of money that had come into my hands. I would have been bound to have known that I must account for that money, by the execution of that receipt I recognized that it was incumbent on me in the due course of business to account for every dollar of that money. So the statement says that the money was remitted to Austin beginning on June 11th—says, "remitted to Austin \$5,000; July 7th, remitted to Austin \$10,000; remitted to Austin July 10th, \$5,000; on July 23d (it says) remitted to Austin \$5,600." As the charge slip shows that there was a discrepancy between that date and the date on the actual ticket, so I take it for granted that there is no dispute that it should have been August 23d instead of July 23d. It appears now that there was also furnished to me another statement by the Temple State Bank on the 3d day of April, 1916, which statement I never saw until I saw this statement, and—

Q. Has this statement of April

3rd, 1916, yet been introduced in evidence?

A. I don't think it has.

Q. Well, go ahead with it.

A. And that showed a balance of twenty-five—the former balance of \$25,088.18; it showed a credit on December 21st, 1915—that must have been, of \$1,297.50, which I am sure represented the deposit from the King's Highway fund. It showed a charge against the Governor's account of \$6,156, another charge of \$6,000, another charge of \$3,000—these last two charges being represented by charge tickets which were attached to the statement. Now, I don't know now, and don't recall and wouldn't undertake to recall why it was that in writing for a remittance of \$9,932.18, as shown by the letter read in the record, in evidence here, but I can readily see how that amount could have been arrived at; I don't say it was arrived at, but by taking the balance as shown by that fund of eleven thousand in that fund on April 3rd, 1916, of \$11,229.68 and deducting therefrom the deposit to the King's Highway of \$1,297.50, it would leave the exact amount of \$9,932.18. That might have been the basis of information upon which this balance was requested, or it might not have been; I don't know and have no personal recollection of it.

Q. Governor, did you handle that statement or have that statement at that time—April 19th?

A. I never saw this statement until in July.

Q. Neither one of them?

A. I never saw either one of the statements nor the charge slips attached to it.

Q. Until when?

A. Until July, 1917, after I appeared before the Travis County Grand Jury.

Q. Now, what ever was done about that difference, letters were written about that. Who wrote the letters?

A. Mr. Davis wrote the letters and I signed them.

Q. In matters pertaining to such things as that did you give them careful attention, if a letter was written and signed by you, or not?

A. None whatever. In the first place I had implicit confidence, and have yet, in Jim Davis. I would

give him any amount of money and there ain't any trust I would not impose upon him, and I trusted in his integrity and his ability and his attention at all times to the details of my business, to take care of it; and so that is the reason why I was glad to have somebody else to take care of the details of my business, because, as I have stated before, I had no time to take care of those matters. I don't mean to say by that that I absolutely forgot my business, because I did not, and in a general way I wanted to keep up with my business, and when I would run out of funds, why, my attention would be called to it and at my earliest convenience, why, I would make arrangements to put myself in funds again.

Q. Now, while you are right there—it has been in evidence here that you gave a check for \$1,850, that check being produced by Mr. Davis at the request of counsel for the Managers, on the 6th day of August, 1916?

A. Yes, sir, I have the check here.

Q. I wish you would explain about that Governor—how you came to give that check and who called your attention to the account, if anybody, and what you remember about it?

A. I don't remember writing the check, but it appears to have been written on a plain counter check at the American National Bank, and noted down in the corner of it is "To Governor's account," which indicated that it was to be deposited to the Governor's account. It was not the usual office check that was used—like the others that we used in depositing the money in the Treasury, and, as I say, I have no personal recollection of it, but that is the check—the character of check that they use down on the counter, as they call it the counter check, and judging from that my opinion would be about it, that I executed that check down in the bank and gave it to them and that money went to the credit of the Governor's account.

Q. Now, did you know at that time that the \$5,600 had been paid out of the Canyon City Normal to pay this note off?

A. Not at all. I just supposed

that this represented the amount to cover my overdraft.

Q. Well, do you know how the overdraft occurred, or did you make any inquiry as to how it occurred?

A. No, sir, I made no inquiry about it. In all probability Mr. Davis called my attention to the fact that I had an overdraft, and that I had better give it attention.

Q. Well, do you remember that?

A. No. I don't even remember that, but from the fact that here is the check that I gave on a counter check, if I may be permitted to state it, that I feel like it is evident that I went down to the bank and gave them a check for my overdraft.

Q. Now, do you recall now of any notification of an overdraft?

A. No, sir, I do not.

Q. On the Governor's account?

A. No, sir.

Q. It is in evidence here that you had two accounts, I believe, three accounts, probably, at the Temple State Bank, and two at the American National Bank?

A. Yes, sir, at the Temple—

Q. Those accounts were furnished in the House, were they?

A. Yes, sir.

Q. Yes. You had them gotten up by the American National Bank?

A. Yes, sir.

Q. And Mr. Hughes presented the others from the Temple State Bank?

A. Mr. Blum. Mr. Blum is right, Mr. Blum is right.

Q. Have you ever seen the charge slips there which indicated a payment, and which showed a payment of this \$5600 note up to July, 1917?

A. Never, no, sir.

Q. Had you ever seen a statement of the Temple State Bank which recites that this money was remitted to Austin?

A. No, sir. I had not, I had not.

Q. Now, this Adjutant General's fund, the latter part of this article says, "that in part payment of the total due for the building of the Canyon City Normal College he used other funds, a portion of which belonged to the State." First, when was the money that is spoken of as the Adjutant General's fund, deposited in the bank?

A. The record shows it was in March.

Q. March 4th?

A. 1916.

Q. March 4, 1916?

A. Yes, sir.

Q. When was the last check given on the Canyon City Normal fund?

A. In April, 1916, just a little over a month after I had come in possession of the National Guard fund.

Q. When you got the National Guard fund what did you do with it?

A. Put it in the American National Bank.

Q. When you got the King's Highway fund that was deposited, as stated by Mr. Davis?

A. \$1,297.50 in the Temple State Bank and \$702.50 in the American National Bank.

Q. When the articles of impeachment were presented to the Senate and Lieutenant Governor Hobby became acting Governor—when he came to the Governor's office and took charge—

A. —the charges were presented on one night here and he came to the office the next morning.

Mr. Hanger: General, may that be understood to be the night of the 24th? It was the night of the 24th?

General Crane: Yes.

Q. That is correct. Governor, the charges were presented to the bar of the Senate on the night of August 24th?

A. Yes, sir.

Q. Now, taking that as a true statement, when did Governor Hobby become Acting Governor Hobby?

A. I sent for Governor Hobby that night and we met on the floor of the Senate and I told him to come down in the morning. I wanted to arrange for him for his amicable entrance into the office.

Q. When did he come?

A. And he came the next morning about ten o'clock.

Q. Did you, or not, make any payment to him of any funds? First, just answer that yes or no.

A. Yes, I did.

Q. What time was that that you made such payment?

A. Sometime between the time he came at ten o'clock and twelve o'clock.

Q. Now, what did you pay him?

A. I paid him the balance remaining in the Storm fund and the King's Highway fund and in the National Guard fund, amounting to \$4600—I was trying to find official receipt.

Q. That has been read, Governor.

A. Yes, and the official receipt recites that it was for the balance out of the Storm fund.

Q. How did you pay him that?
A. By my check on the Temple State Bank?

Q. And what account?
A. From my personal account.

Q. And now, at that time did you know that there yet remained a balance of \$1297.50—or \$800 some dollars to the account and credit on the Governor's account?

A. No, sir, I didn't know that. After that time we got to looking at the Governor's account up there and it showed from the statement furnished by Mr. Blum that there was yet \$1,297.50 on that account.

Q. In the King's Highway?

A. Yes, sir.

Q. That was in the Governor's account?

A. That was in the Governor's account.

Q. Belonged to the King's highway?

A. Belonged to the King's Highway. By further investigation it was disclosed the two checks amounting to approximately \$450 had been subsequently charged against the account, and there yet remains in the account in the Temple State Bank, to the account of the Governor eight hundred and thirty or eight hundred and forty dollars. I didn't know even about that; I was just—as the fellow says, I "searched" myself and found I was eight hundred some odd dollars richer than I thought I was.

Q. Did you know at that time there was fifty dollars and some cents, or fifty odd dollars to the Governor's account yet in the American National Bank?

A. No, sir, I didn't know about that.

Q. You have stated that you gave to Acting Governor Hobby, covered the amount of the balance of the storm fund, the King's Highway fund and the Adjutant General's fund?

A. Yes, sir.

Q. When you paid that check to Acting Governor Hobby, was there, or not, according to the information and books and accounts furnished to you by Mr. J. H. Davis, Jr., anything yet remaining that you owed the State on those accounts?

A. None, whatever, nor any other account.

Q. Now, it is not in order, because we haven't reached it; in making that answer you are not taking

into account the amount you paid the Treasurer on what is called the "Chicken Salad item"?

A. No, I meant to say there are no funds in my hands as the result of money deposited coming into my hands as Governor.

Q. Now, Governor, was the Storm fund State funds, belonging to the State?

A. No, sir, it was money turned over—

Q. What were they?

A. It was the remains of an amount turned over to me by some association of citizens of some kind in Houston, after the flood down there, I think the fund amounted to some fourteen or fifteen hundred dollars, and I had disbursed this money among the flood sufferers at Matagorda and different parts of the coast, and this was the amount that remained in that fund.

Q. Mr. Davis has spoken of the King's Highway fund, and its purpose, so we will not go into that, but I want to ask you, was the King's Highway fund any funds derived from the State, taxation, or was it State funds, in any way?

A. It was not State funds in any shape, form or fashion, it was money created by the King's Highway, or old San Antonio Road Association.

Q. The \$3,050 was what?

A. That was money collected in from a firm in St. Louis by reason of them having purchased stolen goods from the former quartermaster of the State.

Q. Who collected that?

A. It was the result of the trip when we went East but the check was delivered to me by General Hutchings, of the Adjutant General's department.

Q. Was that matter gone into in the March investigation of the House of which Judge Bryan was Chairman?

A. That was gone into fully. I made a statement previous to that time that as I was required to do I had reported to the Legislature the collection of this fund, of the Storm fund, of the Canyon fund, and the King's Highway fund, and showing a complete disbursement which has been read in the record here.

Q. Is that the one that was read while Mr. Davis was on the stand?

A. Yes, sir. That was in January of this year. Later on, in March, or April, at the time I was on the stand,

I again explained the matter fully upon my direct examination.

Q. You mean as to the Adjutant General's fund?

A. I mean as to the Adjutant General's funds, and I was cross examined by General Crane about the matter, and I stated—

Q. Did you recite then the receipt of the money?

A. I recited the receipt of the money and that I held it, and that the Legislature had made no disposition of it.

Q. Did you then produce that deposit slip?

A. Which deposit slip are you talking about?

Q. I thought you had a deposit slip for that?

A. No, sir, we did not.

Q. Did you produce a deposit slip at that time for the inspection of the Committee?

A. I think so, the deposit slip was produced, there was some controversy at the time about whether it was in 1915 or 1916. And ever since that time I have held the National Guard fund and the King's Highway fund in my possession awaiting disposition of the fund by the Legislature, and the fund, being relieved temporarily from the sphere of my duties as Governor, I turned over the money to Acting Governor Hobby.

Q. Now, Governor, it appears from your testimony that you collected from Governor Colquitt the sum of \$101,607.18 insurance money. How much of that money did you pay out on the rebuilding of the main building of the West Texas or Canyon City Normal?

A. The same amount.

Q. \$101,607.18?

A. Yes, sir.

Q. Was that paid out before you ever heard of the \$5,600 item?

A. Absolutely paid,—that is the same item, that \$101,607.18 there in the Canyon City fund, is the same matter that was referred to in the campaign last year and discussed in the race with Honorable Charles H. Morris, candidate for Governor of the State.

Q. All these checks,—have you the checks there with you that you gave in disbursing and paying out this fund?

A. Yes, sir.

Q. Do, or not, they all show at some place on the check what they are given for?

A. Yes, sir, they all show they were given for the Canyon City Normal fund.

Q. Article 2 (Reads): "That James E. Ferguson received from former Governor O. B. Colquitt more than \$101,000, the proceeds from insurance policies on the Canyon City Normal school. That at the time said moneys were turned over to him they were on deposit in banks bearing interest at from four and one-half to five per cent and which remained there for approximately one year, and that he deposited the other amounts in banks in which he was interested as stockholder, and in the American National Bank, to which he shortly afterwards became indebted. That he received direct and personal profit as a stockholder of the Temple State Bank, from the deposit placed with it; thus using and misapplying State funds for his individual benefit and profit." You have answered, Governor, it seems to us, all except the latter portion of this article. It says here in the latter part that you deposited this money in banks in which you were interested as a stockholder and in the American National Bank, to which you shortly afterwards became indebted. When did you become indebted to the American National Bank?

A. I don't just now recall; sometime in the summer, I think, I borrowed some six or seven thousand dollars from them.

Q. The summer of when?

A. 1915.

Q. Yes, sir?

A. And I think it was in December of the same year I made a loan of \$37,450, which was secured by a second lien upon my ranch in Bosque County.

Q. Did you pay interest upon those loans?

A. Paid the usual rate of interest upon all the loans.

Q. What was that?

A. Six, seven, and eight per cent, and the personal loans to the American National Bank were due on demand, and yet I paid six per cent on them.

Q. And what security did you give, did you say, on the \$37,450 note to the American National Bank?

A. A second lien upon my ranch in Bosque County. If I may be permitted, with reference to the fifty-six hundred —

Q. Yes, sir, I would be glad if

you would make any statements we left out asking you about.

A. (Continuing): In corroboration of my statement, I could have paid that money from any bank in Austin. I subsequently borrowed \$7,000 from the American National Bank on my plain note, and if the \$5,600 had been called to my attention it would just have been the mere asking to have gotten the money from any bank I had had any relations with.

Q. And it wasn't called to your attention?

A. It was not called to my attention.

Q. Now, to continue to read this article: "And that he received direct and personal profit as a stockholder of the Temple State Bank from the deposits placed with it, thus using and misapplying State funds for his individual benefit and profit." You have heard, Governor, a letter read here dated January 20, 1915?

A. Yes, sir.

Q. Did you give the instructions, or not, contained in that letter?

A. I did, for the reasons I have heretofore stated, that the money had been—that the contract had already been let and the money appropriated and the building was required to be completed on September 1st, following, and it was quite apparent that that fund had to be in hand at all times and could not be otherwise used for other purposes.

Q. Some question has been raised here by counsel that that only applied to that deposit. What was your instruction on that subject, and intention?

A. My instruction, as well as my intention, was to at all times keep the Canyon City money well in hand where we could get it in money and pay estimates as they matured, and, as I was informed by the contractor, they would mature regularly.

Q. But to go a little further to the question of loans being made against it, what was your instruction and intention?

A. Have the bank not to make any loans against it, as stated in this letter, and to have the money on hand, as it was subject to deposit, it would in all probability be called upon at an early date.

Q. When the deposit was made there in the Temple State Bank, of the Canyon City fund, did you ex-

pect, or was it your intention, or did you desire to derive any personal profit or benefit, as is here charged?

A. None whatever, and it was quite apparent that the money would be called for at an early date, and if I had desired to have had profit out of it, I could not have expected much out of that, because the money was to be paid at an early date.

Q. But the question is, did you desire to do it?

A. Oh, I did not. I never thought about the question of profit, my whole idea was to put it in the bank that I knew would have the money, and where I could get it at any time. I never any more thought of, and I hope God Almighty will strike me dead right now if I do not tell you the truth, that I never at any time intended to make one nickel or one cent profit out of any State account that was put in the Temple State Bank or any other bank. And I call upon the God in heaven to strike me dead in this presence if this is not true in word, in deed, in truth and in fact. The whole amount that could have been made out of the thing would not be enough to interest anybody. You take the whole \$101,000—I mean the whole fifty thousand dollars that was put in the Temple State Bank; certainly they could not charge me with trying to make any money out of the American National Bank, because that was in their bank and I paid the regular rate of interest to the American National Bank, and certainly if I had been getting the same rate of interest that Governor Colquitt collected, said he got, 4 1-2 per cent on fifty thousand dollars—that the whole fifty thousand dollars for a whole year would not have been but \$2,250, and my interest in it would have been less—being a stockholder in the bank, would have been less than \$500. How any man can say I would want to go out and sell my honor, sell my official position, and my official oath for \$500 is beyond my comprehension.

Q. But you had already, the day after you took office, given instructions for them not to lend against it?

A. Absolutely, and to have the money at all times where it could be obtained?

Q. Now, Governor, did the fact that you borrowed some money from

the American National Bank have any connection with the deposit of this fund in your bank, within your knowledge?

A. Not within my knowledge. At that time the banks were full of money and they were all seeking loans, they were glad to make the loan, and if I had not had a dollar there they would still have been glad to make the loan, because they had plenty of loanable funds.

Q. Article 3 reads: "That James E. Ferguson testified under oath on March 11th and 12th, 1917, before the House Investigating Committee that he had made arrangements with the Houston National Exchange Bank, to take up two certain promissory notes, one signed by A. F. Ferguson and one signed by J. H. Davis, Jr., each for the sum of \$37,500. That he further testified that he was not indebted to the Temple State Bank at that time. That as a matter of fact the indebtedness represented by the said notes was the personal indebtedness of the said James E. Ferguson, and the said notes had been executed by said A. F. Ferguson and J. H. Davis, Jr., at the instance of James E. Ferguson, and for his accommodation. That he had guaranteed the payment of both of said notes, the makers whereof were utterly unable to pay them, which said fact was known to James E. Ferguson. That said notes were eventually transferred to the Houston National Exchange Bank for a period of about ten days only with the endorsement and guarantee of the Temple State Bank and the agreement to repurchase within a few days, and the added obligation that said Temple State Bank should maintain during the period of time the notes should be held by said Houston Exchange National Bank, on deposit with said bank, an average daily and compensating balance in an amount equal to the total amount of said notes, to wit: \$75,000. That as a matter of fact said James E. Ferguson was still liable on said notes, and same were transferred only for a period of ten days, and that said transfer of said notes was not bona fide." Governor, will you please now give the explanation, or conversation, if any, you had with Mr. Fox, president of that bank, the arrangement you made with him, and everything about those notes, and the charges made in Article No. 3.

A. To go back just a little, which

I feel will elucidate the history of that transaction: as I stated in the record here, I, and the Bell-Bosque Stock Farm, became indebted to the Temple State Bank in the sum of approximately \$155,000—no, a hundred and fifty thousand dollars. My wife owed a note to the Temple State Bank secured by a lien upon her separate estate, separate real estate, of fourteen thousand dollars.

Q. Talk a little bit louder.

A. Which money was used in the improvement and the clearing and the grubbing of some land which she had inherited. The other money owing by the Bell-Bosque Stock Farm and myself accrued largely as a result of my campaign for Governor and from the purchase of cattle, which I had become more engaged in—the cattle business, in which I had become more engaged. It was understood at the time with the president of the bank, Mr. H. C. Poe, and with no effort to conceal it from anybody, that as my fate and fortunes were with the Temple State Bank, the bank that I had founded, that this money was advanced to me to buy cattle—the amount which had not been spent in my campaign—and that at any time the Temple State Bank should need the money to pay its obligations in any way whatever, that these cattle should be and would be promptly put upon the market and that the money which would certainly be derived from them, like hogs or cotton, would be a ready asset and that the money would be always at the command of the Temple State Bank. So, as I said, the indebtedness reached the sum of approximately a hundred and fifty thousand dollars. A long controversy—an unexpected controversy—which need not be here gone into unless requested—between Mr. Poe and myself resulted in my being called, as the saying is, or being requested to pay this entire amount. I went to Temple at different times and conferred with the Board of Directors and on two occasions the Board of Directors came to Austin, and as the result of the conferences between the Board of Directors and myself here in Austin and at Temple it was agreed that in order to avoid what might be an apparent criticism of there being an overline, that four notes should be executed to cover my indebtedness and indebtedness of the Bell-Bosque Stock Farm; and so in pursuance of that agreement, which was reduced to

writing, I wrote the Temple State Bank—

Mr. Henry: They couldn't hear that last, Governor.

A. I wrote to the Directors of the Temple State Bank—I have the letter here—agreeing in substance that I would execute my note for \$37,500 and that the Bell-Bosque Stock Farm would execute its note for \$37,500, and that I would cause to be executed the note of my brother, A. F. Ferguson, for \$37,500, to be secured by the stock of the Bell-Bosque Stock Farm attached thereto, and that I would cause to be executed a note by some reputable person in a like sum of \$37,500, the four notes aggregating \$150,000, and to be due on December 1st of this year and bear 8 per cent interest from date—due the first of December, 1917, and bearing 8 per cent per annum from date. I also stated in the letter that I would agree to take up and pay off these notes, and if I may be permitted, my intention in so doing was this: While the Board of Directors were perfectly willing to accept the notes in the form they were given, yet as the consideration for the notes was a debt that I had become interested in—that I was interested in—and the corporation in which me and my wife—my wife and I owned the greater part of the stock, and I didn't want to have the criticism made that I had in any way or form attempted to unload on the Temple State Bank any of my obligations or to get from under any obligations, and so I insisted that I write them a letter making a record of that, and I executed the letter which has been read in evidence, in which I guaranteed the payments of the notes. These notes, as I said before, were executed and that transaction was closed with the entire satisfaction of the Directors of the Temple State Bank and myself. A little later on the investigation was started here in Austin—

Q. (Interrupting) Do you know the dates of those notes, the execution of them?

A. January 22nd.

Q. 1917?

A. Yes, sir.

Q. The investigation started the 7th of March?

A. The 7th of March.

Q. Go ahead.

A. When the investigation started these notes were yet in the Temple State Bank. As soon as the investi-

gation started I realized at once that it would not do the bank any good and it would be the cause of unnecessary discussion to have it developed, as I knew it would be, that there would be no effort made to conceal it, that those notes were in the Temple State Bank.

Q. Right at that place, what were they at that time?

A. At that time I think I had paid my personal note for \$37,500. And so with the investigation coming on, while I knew and the Directors knew that the note was perfectly good and everybody was satisfied with it and they had plenty of funds to carry the note, yet I knew, as any reasonable man must know that if the execution of those notes was discussed in the investigation, while it would not hurt me, it might cause some anxiety on the part of the customers of the Temple State Bank. There were many people in Temple that were willing to discuss that matter freely—the matter had already been quite freely discussed upon the streets of Temple; and in order that everybody may thoroughly understand why I wanted to pay these notes, I want to make this explicit statement: I wanted to pay those notes because the investigation was coming on and to avoid any unnecessary discussion of the bank's affairs, and that was the sole purpose in having—at once, as soon as I could, to begin arrangements to pay off those notes. The Directors were satisfied with that, they were able to carry it, but I knew and I thought that if the notes were left in there that great capital would be made out of it and statements would be made that I had unloaded a worthless note upon the Temple State Bank, and to avoid that, and for no other cause in the world, I set about as quick as I could to pay those notes. So I called up Mr. Fox at Houston, with whom I had been doing business over a period of a good many years and the last one or two years considerable business and with whom I had gotten right well acquainted, and told him that I wanted him to pay off these two notes, and described the notes to him and described the security attached thereto, and told him that I would come down as soon as the Legislature adjourned and I had a little time, I would come down and pay them off. Well, as I recall it, he said, "How long was it?"—"how long before

you can pay me?" I said, "I don't know, but I will come down just as soon as I can, but I want you to pay off those notes," and he said, "All right," and I said, "Mr. Heard"—"I will call up Mr. Heard and tell him about it and he will come down—he will arrange the transfer of the notes to you." That was about all I knew about the matter—well, I believe I did get information that the notes had been sent to Houston to the Houston National Exchange Bank in accordance with my intention and agreement, and I thought that they were there. I don't recall now how I got the information, but in a short time thereafter I learned that the notes were back in Temple, and I immediately called Mr. Heard up over the phone and said, "Have you got those two thirty-seven thousand, five hundred dollar notes back in Temple?" He said, "Yes, the Directors are satisfied with them; we have got lots of money, and the notes are perfectly good, and we want the interest on them." I said, "Well, I want those notes back in Houston, because I arranged with Mr. Fox to carry those notes; and I don't want them in the Temple State Bank; the people won't understand it, and I want you to send them back." He said, "All right," and he sent the notes back to Mr. Fox, and at a later time, some time after the adjournment of the Legislature, as I now recall, I paid these notes off.

Q. Now, Governor, were you in any way cognizant of the fact that these notes were only going to stay down there for a few days, as the article charges, and were to be sent back—in other words, that the sale was a subterfuge?

A. No, sir, not at all. As I tell you, the investigation was coming on and I wanted to get them out of the Temple State Bank and not have them in the Temple State Bank.

Q. Now, referring back to the guarantee, a letter, I believe has been read here by you to the Temple State Bank in which you say you will execute that paper, or that you have executed it, I don't remember which?

A. That I had executed—you mean—

Q. That guarantee?

A. That guarantee, yes, sir.

General Crane: They are both in evidence.

Mr. Hanger: Yes.

A. The execution of those notes

and that guarantee and the correspondence and the whole matter was fully explained to the investigating committee.

Q. That's what I was coming to.

A. Every bit of it. It would have been useless to have made any attempt to conceal that fact, because it had been gone into in the investigation, the whole of the details and the whole transaction, much more fully than we have gone into it here, how it accrued and the overdraft and everything and the agreement and the conversations about the notes were gone into fully and everybody knew all about it at that time, and as everybody knows it was published in the papers.

Q. You said a while ago that this money was very largely, outside of the original amount, expended in the purchase of cattle and feed stuffs, I believe you said?

A. Yes, I didn't state that, but that is—

Q. Well, I understood you—

A. In the purchase of cattle and the cattle business, which means, of course, to carry the cattle as well as the purchase price of the cattle.

Q. Well, where were those cattle?

A. In Bell and Bosque Counties.

Q. Where?

A. I say, in Bell and Bosque Counties.

Q. Well, what particular place?

A. My ranch and farm.

Q. What was being done with them?

A. To make it the best herd of cattle in Texas.

Q. Well, were they being fed?

A. Being fed and taken care of.

Q. What kind of cattle were they?

A. When I first started into the cattle business, of course I had no cattle and I used some of the money that I borrowed from this bank to buy cattle and I had to take cattle as I could get them, the good and the bad, but the general policy was pursued as early as I could, when I would buy a herd of cattle, as early as possible to dispose of the inferior grades and keep the better grades of cattle.

Q. Well, now, these cattle you bought in '15 and '16, how old were they—were they old or young cattle?

A. None of them were old cattle. Probably a few of the cows were eight years old, but very few, I think, were that old, but most of them were twos and threes and fours.

Q. Well, what did you do with them—what has been done with them—where are they?

A. They are now in Bell and Bosque Counties. And if you will permit me to brag just a little bit, I think I've got the best cattle in Texas; some of the other cow men might not agree with me, but I am a fool about my cattle, like other men are about their automobiles. I am very much wrapped up in the cattle business.

Q. Those cattle are still in Bell and Bosque Counties?

A. Yes, sir, the purchases from that source are still in those counties.

Q. Have they been sold off to any considerable extent?

A. No, sir, we still have about seventeen hundred head of cattle up there. I also have other cattle interests in Liberty County, but that is from more money borrowed in another place.

Q. Now, it is alleged here that you testified on the hearing before the House Committee on the 11th and 12th of March that you were not indebted to the Temple State Bank at that time. You have testified that your personal note of \$37,500 was paid off, had been paid off previous to that to the Temple State Bank; that you thought the other two notes were owned under an arrangement made by you with the Houston National Exchange Bank at Houston. Whose note was the fourth one?

A. That was the Bell-Bosque Stock Farm's.

Q. Signed by it?

A. By its regular officer; I forget who signed it as president, but it was not my obligation.

Q. Had the original indebtedness in part been—how had the original indebtedness been incurred that it there assumed to pay, that \$37,500—by you personally, or by it as a corporation?

A. By the Bell-Bosque Stock Farm in the purchase of cattle that it had made, and it was a debt due and owing by that corporation.

Q. You said a while ago that you made some statement to the officials of the bank about the cattle being available to them. Who were the officials of the Temple State Bank at the time these loans were increased—in active charge and control of its business?

A. Mr. H. C. Poe was President and Mr. C. A. Hughes was the cashier, and they had control of the—entire

control of the management of the bank.

Q. When was it you went out of the Temple State Bank directorate and official family?

A. I think it was about the 11th of January, 1915.

Q. When you became Governor, of course you severed your connection with the institution, as required by law?

A. Yes, sir.

Q. Did you after that time, Governor, have anything to do with the management or control of the business of the Temple State Bank?

A. None whatever. I want to be entirely frank about it. From time to time in casual conversation I would meet Mr. Poe and meet Mr. Hughes and ask them how they were getting along, and might have discussed some of the details, but I had no time to think about running the Temple State Bank.

Q. Well, did you or did you not continue to hold your stock?

A. I continued to hold my stock.

Q. The capital stock being \$125,000 at that time?

A. Yes, sir, with \$30,000 surplus.

Q. What was your holding of stock?

A. I think I owned about 325 shares.

Q. \$32,500 worth of the shares?

A. Yes, sir.

Q. Now, with whom were these conversations in which you say you discussed with them the availability of your assets, the cattle to pay off the debt of the bank should the bank demand it?

A. The conversations were almost exclusively on that point with Mr. H. C. Poe.

Q. He was then the President of the bank?

A. He was then the President of the bank, and I explained to him from time to time and he rather encouraged my going into the cattle business, not only for the profit that I might make out of the cattle business, but on account of the money being placed where in case the bank needed it that it could get it and the cattle would be sold off should it by any contingency suddenly need the money.

Q. Was interest charged you on that indebtedness to the Temple State Bank and on the over-line which we will ask you about later under another article?

A. I think that whenever they wanted to show a profit, if it lacked anything, they always charged it to my account.

Q. Well, interest was charged?

A. Interest was charged as high as ten per cent on an overdraft, I learned afterwards.

General Crane: Well, now, we object to that.

A. They rendered me a statement afterwards in which they charged it.

Q. Well, that's the statement you produced here from your private papers at their request?

A. Yes, sir.

Q. Was there or not any agreement about what rate of interest they should charge you?

A. No, sir, there was no agreement about it. I understood that I was to pay a reasonable rate, and I thought eight per cent was what they should have charged me.

Q. Yes. I will now read, Governor, Article No. 4.

Article 4. "That James E. Ferguson testified before the former House Investigating Committee within sixty days prior to his giving said testimony"—

Mr. Hanger: One moment. Senator, did you want to ask a question?

Senator Page: I would like to have a question asked on that article.

Mr. Hanger: All right, I hope the Senators when we pass from an article, if they have a question, will call our attention to it.

The Chair: This question by Senator Page: "H. S. Fox testified upon the stand that the four notes for \$37,500 were endorsed by the Temple State Bank. Did you ask the officials of the bank to so endorse them?" That's the first part of the question.

A. No, sir, I didn't.

Mr. Hanger: Now, turn around this way, Governor.

Senator Page: Some of them didn't hear the question.

The Chair: I will read it again for the benefit of the Senators: "H. S. Fox testified upon the stand that the four notes for \$37,500 were endorsed by the Temple State Bank. Did you ask the officials of the bank to so endorse them?"

A. No, sir, I didn't discuss that matter with the officials of the Temple State Bank. My intention was that I had agreed to pay the notes.

Mr. Hanger: There were two notes,

instead of four. Let's strike out that four and make it two.

The Chair: I will strike out the figure "4" and make it "2." The second part of the question: "If you answer the above in the negative, then state if you know what official did endorse these notes and by what authority?"

A. No, sir, I didn't. The notes are endorsed "Temple State Bank" or "Temple State Bank, by C. A. Hughes." That would be the usual endorsement on any check or note, whether it was intended to guarantee it or send it off for collection.

Senator Page: Now, by what authority, I wanted to know?

The Chair: The question is: "Who endorsed them and by what authority?"

A. I don't know. My intention was to pay the notes, and that's what I had in mind.

The Chair: Any other questions on this particular point at this time? All right. Proceed, Senator Hanger.

Senator Bee: Are you beginning another count?

Mr. Hanger: Yes, sir. Now, let's introduce here at this time and in this connection the subpoena issued by the Counsel for the House Managers on the 3rd day of September for C. A. Hughes and the return on the back thereof showing that he has been subpoenaed. We now introduce the subpoena issued by Counsel for the House Managers for H. C. Poe and the return thereon showing that he was subpoenaed, duly served with the subpoena.

Said subpoena, with the returns thereon, are as follows:

Subpoena.

The State of Texas, to C. A. Hughes, Temple, Bell County, Texas.

Greeting:

You and each of you are hereby commanded to appear before the Senate of Texas, sitting as a Court of Impeachment, on the 5th day of September, A. D. 1917, at 10 o'clock a. m., at the Senate Chamber in the city of Austin, Texas, then and there to testify your knowledge in the cause which is before the Court, in which the House of Representatives have impeached James E. Ferguson. Herein fall not.

Witness, W. L. Dean, President of the Senate, and of the Court of Im-

peachment, at the City of Austin, Texas, this 3rd day of September, A. D. 1917.

W. L. Dean,
President.

To the Sergeant-at-Arms of the Court of Impeachment, or any of his assistants:

You are hereby commanded to serve in person, or by registered mail or telegram, the within subpoena and due return make thereof.

Dated at the City of Austin, this 3rd day of September, A. D. 1917.

Jno. D. McCall,
Secretary of said Court.

Officer's Return.

Came to hand on the 3rd day of Sept. 1917, at 5 o'clock p. m. and executed on the 3rd day of Sept., 1917, in the following manner: By registered letter to said C. A. Hughes at Temple, Tex.

M. F. Hornbuckle,
Sergeant-at-Arms of the Court of Impeachment.

Subpoena.

The State of Texas, to H. C. Poe, Austin, Travis County, Texas.

Greeting:

You and each of you are hereby commanded to appear before the Senate of Texas, sitting as a Court of Impeachment, on the instant A. D. 1917, at 10 o'clock a. m., at the Senate Chamber in the City of Austin, Texas, then and there to testify your knowledge in the cause which is before the Court, in which the House of Representatives have impeached James E. Ferguson. Herein fail not.

Witness, W. L. Dean, President of the Senate and of the Court of Impeachment, at the City of Austin, Texas, this 3rd day of September, A. D. 1917.

W. L. Dean,
President.

To the Sergeant-at-Arms of the Court of Impeachment, or any of his assistants:

You are hereby commanded to serve, in person, or by registered mail or telegram, the within subpoena and due return make thereof.

Dated at the City of Austin, this 3rd day of September, A. D. 1917.

John D. McCall,
Secretary of said Court.

Officer's Return.

Came to hand on the 3rd day of Sept., 1917, at 5 o'clock p. m. and executed on the 3rd day of Sept., 1917, in the following manner: By handing a true copy of this subpoena in person to the witness.

M. F. Hornbuckle,
Sergeant-at-Arms of the Court of Impeachment.

General Crane: Do you offer in evidence that you had him subpoenaed?

Mr. Hanger: No, sir, we don't, because we didn't.

General Crane: Yes?

Mr. Hanger: You issued it the first day here, and we know it. Does that answer your question?

Mr. Harris: Do you want him here, Senator?

Mr. Hanger: Do you? You talked to them and excused—

Senator Bee: I suggest that this colloquy is out of order.

Mr. Hanger: It is out of order, but he started it to prejudice the case and I am going to reply to him every time.

General Crane: It is not my intention. They offer the process that had the witness summoned and they haven't got him here, and I think it perfectly proper for me to ask whether they had him subpoenaed when he is their friend.

Mr. Hanger: It was a reply to a sidebar remark made by Mr. Harris.

Senator Hudspeth: There is no testimony here showing that Poe is their friend.

General Crane: Not Poe, but Hughes. He is their business manager.

Senator Hudspeth: Well, Mr. Hughes.

Senator Page: I think it is wholly out of order. I submit the whole thing is out of order.

The Chair: Let's have order.

Mr. Hanger: I am going to answer them, because I have stood it as long as I intend to.

Senator Bee: Mr. President, I move that we rise to meet at 2 o'clock.

The Chair: The Senator from Bexar moves that the Court rise to meet at 2 o'clock. Those in favor of the motion will say "Aye," those opposed, "No." . . . The motion prevails.

(Thereupon at 12 o'clock m, the Court recessed until 2 o'clock p. m.

In the Senate.

President Pro Tem. Dean in the Chair at 11:58 o'clock a. m.

At 12 o'clock m, Senator Page moved that the Senate recess until 2 o'clock today.

The motion prevailed.

After Recess.

(Afternoon Session.)

The Senate was called to order by President Pro Tem. Dean.

Bills Signed.

The Chair. President, Pro Tem. Dean, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

H. B. No. 15, A bill to be entitled "An Act to reorganize the Seventeenth Judicial District of the State of Texas, and to make all process issued or served before this Act takes effect, including recognizances and bonds, returnable to the terms of the courts as herein fixed; to validate such process and to validate the summoning of grand and petit juries; repealing all laws and parts of laws in conflict herewith, and declaring an emergency."

H. B. No. 11, A bill to be entitled "An Act to amend Section 37, Chapter 17, of the General and Special Laws of the State of Texas, passed at the Thirty-third Legislature at its First Called Session, being 'An Act creating the San Patricio County road system, so as to require the tax assessor to make up the tax rolls of said county by defined road districts, instead of by justice precincts, by adding a new section to be designated as Section 37a; fixing a compensation of the tax assessor, and declaring an emergency.' "

H. B. No. 2, A bill to be entitled "An Act to amend Articles 1867 and 1868 of the Revised Civil Statutes of the State of Texas and to repeal all laws in conflict therewith by providing that a defendant who is in the service of the United States as a soldier shall not be required to answer to the merits of a demand sued upon during the time he is actually engaged as

a soldier in the war between the United States and the Imperial government of Germany, and providing that he shall be required to answer to the merits of such suit within ninety days from the date of the signing of a treaty of peace between the United States and the Imperial government of Germany; and declaring an emergency."

H. B. No. 3, A bill to be entitled "An Act providing that in case of sales of real property of soldiers or sailors serving in the armies or navies of the United States who are in war with Germany, by virtue of deeds of trust or mortgages, where such sales are made without foreclosure suits, that before the execution of any conveyance or delivery of the property there shall first be filed a suit for the confirmation of the sales and for authority to make conveyance and delivery of the property, declaring how service shall be had in such suits and the law applicable thereto, and providing for confirmation of such sales, and declaring an emergency."

H. B. No. 8, A bill to be entitled "An Act to amend Sections 1, 2 and 8 of Chapter 181, General Laws enacted at the Regular Session of the Thirty-fifth Legislature, establishing 'standard containers' and 'standard packs and grades' for fruits and vegetables and to add thereto Section 2a, and declaring an emergency."

At Ease.

At 2:05 o'clock p. m., the Senate stood at ease for fifteen minutes.

In Court.**PROCEEDINGS.**

Monday, September 17, 1917.

Afternoon Session.

Senate Chamber, Austin, Texas.

(Pursuant to adjournment, the Senate, sitting as a High Court of Impeachment, re-convened at 2:15 o'clock p. m., the Senate having stood at ease for fifteen minutes to await the return of two committees, who were out).

The Chair: The time having arrived for the convening of the Court

of Impeachment, the Court will come to order.

Senator Bee: I suggest that the Secretary of the Senate ask the Committee on Agriculture if they are ready—the Conference Committee rather—

Senator Page: They are in here already.

Senator Bee: Oh, I didn't know it.

The Chair: I had inquired as to that, I will state to the Senator.

Senator Bee: All right.

The Chair: (To Mr. Hanger): Are you ready, Senator?

Mr. Hanger: Yes, sir.

Thereupon, the Respondent,

JAMES E. FERGUSON,

resumed the witness stand, and in answer to questions propounded, further testified as follows, to wit:

General Crane: Before the witness proceeds, Mr. President, in order to keep down any further discussions as to dates, I offer the contract for the building of the Normal School—the proposals.

Senator Bee: Mr. President, let's have order, please.

The Chair: Mr. Sergeant-at-Arms.—Mr. Sergeant-at-Arms.—Mr. Hornbuckle.

Sergeant-at-Arms: Let us have order, please.

The Chair: Mr. Sergeant-at-Arms, I want to give you this direction: I wish you would stand back behind the crowd on that side, your assistants on this side (indicating), and without having your attention called to it, see where there is disorder, please.

Sergeant-at-Arms: Most of the disorder is caused by the Senators.

The Chair: That is all right, stand back there and look for the disorder, instead of listening to the testimony.

Mr. Hanger: (To General Crane): Just let it be read.

General Crane: Yes. The proposal, we offer it, Mr. President.

Mr. Hanger: Just let the stenographers copy it.

(General Crane thereupon read into the record the following letter):

Austin, Texas, Dec. 14-14.

Sam Sparks, President,

State Normal Board of Regents,
Austin, Tex.

In addition to our bid on the

West, Texas Normal School building at Canyon, Tex., we propose that in the event we are awarded contract for this building (leaving off both wings), before Jan. 1st, 1915, we will complete same ready for occupancy before the first day of September, 1915. If it is decided to have wings added any time before May first, 1915, then we agree to do so as per our original proposal of Dec. 14, 1914, provided we are allowed an extension of time equal to the time elapsed from the signing of the original contract to that date on which we are notified to proceed with the addition of the wings; and further, that in the event we have expended any money in labor and material in closing the ends as per revised end elevation, we shall be reimbursed such money plus 10 per cent as overhead charges.

The Gross Const. Co.

Per W. F. Gross.

General Crane: Then follows the contract to build the house, which is of the same date—December 14th. I will not read that.

(The contract just above referred to and offered in evidence by Counsel for the House Managers, is in words and figures as follows, to wit):

This agreement, made the Fourteenth day of December, in the year one thousand nine hundred and fourteen, by and between The Gross Construction Company of Waco, Texas, a corporation organized under the laws of Texas, party of the first part (hereinafter designated the Contractor), and The State Normal School Board of Regents, acting by and through its President, Sam Sparks, party of the second part (hereinafter designated the Owner),

Witnesseth, that the Contractor, in consideration of the agreements herein made by the Owner agrees with the said Owner as follows:

Article 1. The Contractor shall and will provide all the materials and perform all the work for the erection of a fire-proof main building for the West Texas State Normal at Canyon, Texas, as called for in item No. 4, structural steel design as per plans and specifications hereto attached, as shown on the drawings and described in the specifications prepared by George Albert Endress, architect, which drawings and specifications are identified by

the signatures of the parties hereto, and become hereby a part of this contract.

Art. II. It is understood and agreed by and between the parties hereto that the work included in this contract is to be done under the direction of the said architect, and that their decision as to the true construction and meaning of the drawings and specifications shall be final. It is also understood and agreed by and between the parties hereto that such additional drawings and explanations as may be necessary to detail and illustrate the work to be done are to be furnished by said architect, and they agree to conform to and abide by the same so far as they may be consistent with the purpose and intent of the original drawings and specifications referred to in Art. I.

It is further understood and agreed by the parties hereto that any and all drawings and specifications prepared for the purpose of this contract by the said architect are and remain their property, and that all charges for the use of same, and for the services of said architect are to be paid by the said Owner.

Art. III. No alterations shall be made in the work except upon written order of the architect; the amount to be paid by the Owner or allowed by the Contractor by virtue of such alterations to be stated in said order. Should the Owner and Contractor not agree as to the amount to be paid or allowed, the work shall go on under the order required above, and in case of failure to agree, the determination of said amount shall be referred to arbitration, as provided for in Art. XII of this contract.

Art. IV. The Contractors shall provide sufficient, safe and proper facilities at all times for the inspection of the work by the architect or his authorized representatives; shall, within twenty-four hours after receiving written notice from the architect to that effect, proceed to remove from the grounds or buildings all materials condemned by him, whether worked or unworked, and to take down all portions of the work which the architect shall by like written notice condemn as unsound or improper, or as in any way failing to conform to the drawings and

specifications, and shall make good all work damaged or destroyed thereby.

Art. V. Should the Contractor at any time refuse or neglect to supply a sufficiency of properly skilled workmen, or of material of the proper quality, or fail in any respect to prosecute the work with promptness and diligence, or fail in the performance of any of the agreements herein contained, such refusal, neglect or failure being certified by the architect, the Owner shall be at liberty, after three days written notice to the Contractors to provide any such labor or materials, and to deduct the cost thereof from any money then due or thereafter to become due to the Contractors under this contract; and if the architect shall certify that such refusal, neglect, or failure is sufficient ground for such action, the Owner shall also be at liberty to terminate the employment of the Contractor for the said work and to enter upon the premises and take possession, for the purpose of completing the work included under this contract, of all materials, tools and appliances thereon, and to employ any other person or persons to finish the work, and to provide the materials therefor; and in case of such discontinuance of the employment of the Contractors they shall not be entitled to receive any further payment under this contract until the said work shall be wholly finished, at which time, if the unpaid balance of the amount to be paid under this contract shall exceed the expense incurred by the Owner in finishing the work, such excess shall be paid by the Owner to the Contractors; but if such expense shall exceed such unpaid balance, the Contractors shall pay the difference to the Owner. The expense incurred by the Owner as herein provided, either for furnishing materials or for finishing the work, and any damage incurred through such default, shall be audited and certified by the architect, whose certificate thereof shall be conclusive upon the parties.

Art. VI. The Contractor shall complete the several portions, and the whole of the work comprehended in this agreement by and at the time hereinafter stated, to wit: Work to be completed as a whole on or before September 1, 1915.

Art. VII. Should the Contractors

be delayed in the prosecution or completion of the work by the act, neglect or default of the Owner, of the architect, or of any other contractor employed by the Owner upon the work, or by any damage caused by fire or other casualty for which the contractors are not responsible, or by combined action of workmen in no wise caused by or resulting from default or collusion on the part of the Contractor, then the time herein fixed for the completion of the work shall be extended for a period equivalent to the time lost by reason of any or all of the causes aforesaid, which extended period shall be determined and fixed by the architect; but no such allowance shall be made unless a claim therefor is presented in writing to the architect within forty-eight hours of the occurrence of such delay.

Art. VIII. The Owners agree to provide all labor and materials essential to the conduct of this work not included in this contract in such manner as not to delay its progress, and in the event of failure to do so, thereby causing loss to the Contractors, agree that they will reimburse the Contractors for such loss; and the Contractors agree that if they shall delay the progress of the work so as to cause loss for which the Owner shall become liable, then they shall reimburse the Owner for such loss. Should the Owner and Contractors fail to agree as to the amount of loss comprehended in this article, the determination of the amount shall be referred to arbitration as provided in Art. XII of this contract.

Art. IX. It is hereby mutually agreed between the parties hereto that the sum to be paid by the Owner to the Contractors for said work and materials shall be one hundred and fifty-four thousand seven hundred and fifty-four (\$154,754.00) Dollars, subject to additions and deductions as hereinbefore provided, and that such sum shall be paid by the owner to the Contractors, in current funds, and only upon certificates of the architect, as follows: There will be monthly estimates upon work and material in place and upon the ground. 15 per cent of each estimate will be retained until final completion and acceptance of job as a whole. It is well understood by and between the parties hereto that the State Normal School

board of regents will pay the contract price with the funds now held by the Governor of Texas, resulting from the payment of fire insurance on the building recently destroyed by fire at Canyon, and supplemented by an appropriation for that purpose which will be asked for of the Thirty-fourth Legislature convening January . . . , 1915; and this contract is entered into and the obligation to pay the contract price by the party of the second part is based upon the availability of said fund and upon the action of the Legislature in the premises, and the contract is approved by the Governor of Texas upon this understanding.

The final payment shall be made within thirty (30) days after the completion of the work included in this contract, and all payments shall be due when certificates for the same are issued.

If at any time there shall be evidence of any lien or claim for which, if established, the Owner of the said premises might become liable, and which is chargeable to the Contractors, the Owner shall have the right to retain out of any payment then due or thereafter to become due an amount sufficient to completely indemnify them against such lien or claim. Should there prove to be any such claim after all payments are made, the Contractors shall refund to the Owner all moneys that the latter may be compelled to pay in discharging any lien on said premises made obligatory in consequence of the Contractor default.

Art. X. It is further mutually agreed between the parties hereto that no certificate given or payment made under this contract, except the final certificate or final payment shall be conclusive evidence of the performance of this contract, either wholly or in part, and that no payment shall be construed to be an acceptance of defective work or improper materials.

Art. XI. The Contractors shall during the progress of the work maintain insurance on the same against loss or damage by fire, in favor of Sam Sparks, President, the policies to cover all work incorporated in the building, and all materials for the same in or about the premises, and to be made payable to the parties hereto, as their interest may appear.

Art. XII. In case the Owner and

Contractors fail to agree in relation to matters of payment, allowance or loss referred to in Arts. III or VIII of this contract, or should either of them dissent from the decision of the architects referred to in Art. VII of this contract, which dissent shall have been filed in writing with the architect within ten days of the announcement of such decision, then the matter shall be referred to a Board of Arbitration to consist of one person selected by the Owner, and one person selected by the Contractor, these two to select a third. The decision of any two of this Board shall be final and binding on both parties hereto. Each party hereto shall pay one-half of the expense of such reference.

The said parties for themselves, their heirs, successors, executors, administrators and assigns, do hereby agree to the full performance of the covenants herein contained.

In witness whereof, the parties to these presents have hereunto set their hands and seals, the day and year first above written.

In presence of,
The Gross Construction Company,
By (Signed) F. A. Gross, Prest.
(Signed) W. F. Gross, Sec'y.
(Seal)
State Normal School Board of Regents,
By (Signed) Sam Sparks, Prest.
Approved:

(Signed) O. B. Colquitt,
Governor of Texas.

Endorsed:

The Uniform Contract. Form of contract, adopted and recommended for general use by the American Institute of Architects and the National Association of Builders. Revised 1905 and 1907.

Agreement between Gross Construction Co., contractor, and Board of Regents of Texas State Normal, owner, for main building, West Texas Normal, Dec. 14th, 1914. Architect, Geo. A. Endress. Amount of contract \$154,754.00. Copyrighted 1905, by the American Institute of Architects, Washington, D. C. Revised 1907. License for exclusive publication. E. G. Soltmann, Soltmann "Tee-Square" Building, 134-140 W. 29th St., New York, N. Y. (Form 19642-P1).

General Crane: Then again (reading):

Austin, Texas, June 5, 1915.

Gross Construction Company,
Galveston, Texas.

Gentlemen: When countersigned by Sam Sparks, president of the Board of Regents of the Texas State Normals this will be your authority to proceed with the erection of the wings of the main building West Texas State Normal, which you are now erecting at Canyon, Texas.

It is understood that when these wings are added building will be complete in all respects as called for under Item One of plans and specifications of July 3, 1914, and that you will be paid an additional sum to your contract price December 14, 1914, of \$69,126.00, which will make a total for the entire work of \$223,880.00.

In consideration of the extra work involved by above addition it is understood that you will finish the entire work by February 1st, 1916.

Yours truly,

(Signed) Geo. A. Endress.

(Countersigned) Sam Sparks, Pres.
State Normal School Board of Regents.

Accepted June 5, 1915.

Gross Construction Co.,

By (Signed) F. A. Gross, Pres.

Senator Hudspeth: General, pardon me. I didn't catch the reading; when does the contract provide this shall be completed?

General Crane: The contract itself provides that it shall be completed by the 1st of September, 1915, and the proposal is of the same effect. It was provided, however, that if the wings should be added, that a certain number of months should be added to the time in which it would be completed, but this last I have read is direction by the architect to the Gross Construction Company that with the construction of the wings herein stated that the time for the completion of the building will be extended to the first of February, 1916, and that proposition is accepted by the Gross Construction Company, so that is the date that it ends.

Senator Hudspeth: Yes, sir.

Mr. Hanger: Let's see it (taking paper).

Direct Examination Resumed

By Mr. Hanger:

Q: Was this contract which has

just been read and referred to, Governor, in the Governor's office or in the possession of the Board of Regents of the State Normal School?

A. It was not in the possession of the Governor, nor in the Governor's office.

Q. You would not know where it was, of course?

A. I understood from Mr. Goeth the day that I gave Mr. Endress the check for \$1,000, that the contract was to be completed on the 1st of September.

Q. Was the extension, so far as you now remember, submitted to you?

A. I never saw the contract at all.

Q. Or the extension?

A. No, sir.

Q. The contract itself appears to be signed on the 14th day of December?

A. Well, that is, what I understood.

Q. I believe we say the 10th of December in the answer, that should be the 14th. Now, the 4th Article of Impeachment reads as follows:

"That James E. Ferguson testified before the former House Investigating Committee within sixty days prior to his giving said testimony, he had caused to be paid into the Temple State Bank \$112,500.00 and \$15,000.00. In other words, \$127,500.00 in cash to the Temple State Bank. That, as a matter of fact, \$75,000.00 of said amount was represented by the A. F. Ferguson note and the J. H. Davis note of \$37,500.00 each, and that same were not paid to the Temple State Bank in cash, but were only transferred to the Houston National Exchange Bank to be held for a period of about ten days. That as a matter of fact, said notes were still due by James E. Ferguson, because the makers within his knowledge were not able to pay same, and he had guaranteed same in writing to the Temple State Bank. That said transfer did not relieve the Temple State Bank of the excessive loan of James E. Ferguson, because said two notes were endorsed and payment guaranteed by the Temple State Bank; and the said James E. Ferguson and the Temple State Bank knew that after a period of about ten days said notes could be returned to the Temple State Bank. That said two notes were actually returned to the Temple State

Bank, and that after said Committee had adjourned the Temple State Bank was carrying again the same two notes in violation of the laws of the State of Texas."

Q. Did you know, Governor Ferguson, that said notes were to be returned, as is stated here in this article?

A. I didn't so know. On the other hand, my intention was at all times to have those notes paid by the Houston Exchange National Bank, and the statement which I made this morning with reference to that transaction, I think, covers.

Q. Covers that?

A. Covers that point.

Q. Yes, sir. Now, Governor, just another word with reference to that deposit of money: did you understand what the rule—when you had this money deposited in State banks, what the rule was in reference to its protection?

A. Well, all deposits in State banks are protected under the Depositor's Guarantee Law.

Q. If they are interest-bearing deposits, is that true?

General Crane: I think that is a question of law, Mr. President.

Mr. Hanger: I asked him if he understood that when he made these deposits—not what the law was, but if he understood that.

General Crane: Well, I think that is not pertinent or proper.

Mr. Hanger: We think it is, to prove his intention.

The Chair: He could not state, as it is understood by the Chair, that those deposits were protected, being non-interest bearing, under the State Guaranty law.

Mr. Hanger: I did not understand him to say they were not interest bearing.

The Chair: That is my understanding of it.

Mr. Hanger: All right, then, we will not pursue that under the ruling of the Chair.

Q. Now, Article 5 (reading):

"That James E. Ferguson testified under oath before the House Investigating Committee in March"—

Senator Bee (Interrupting): Mr. President, will Senator Hanger defer just a moment? There is a question I want to ask him in connection with that charge.

Mr. Hanger: Certainly.

The Chair: Senator Bee asks the

indulgence of the Court while he writes a question.

Senator Hudspeth: Will I be permitted, Mr. President, to have Senator Hanger ask if the Temple State Bank was a guaranty bank?

Q. Was the Temple State Bank a guaranty bank or a bond bank?

A. A guaranty bond bank.

(Senator Bee sent up a question to the Chair.)

The Chair (Reading question): I would like counsel to call attention to the statutes violated, if any, by the transaction referred to in the charge.

Senator Bee: I refer to the charge where it has reference to a violation of the law, and I want to know what statute is referred to.

General Crane: What article is that—four?

Senator Bee: Article four. The statement is made that it was in violation of the law, and I want to get the statute referred to as having been violated. Just read it, Senator Hanger.

Mr. Hanger: Yes, the latter part of the paragraph, I presume, is all that is necessary to read of that, without repeating it.

Senator Bee: Yes, sir, that is all.

Mr. Hanger (reading): "That said two notes were actually returned to the Temple State Bank, and that after said Committee had adjourned the Temple State Bank was carrying again the same two notes in violation of the laws of the State of Texas."

General Crane: Why, in violation of the banking law, which prohibits any one individual from getting more than thirty per cent, directly or indirectly.

Senator Bee: Yes, sir, that is all right.

The Chair: All right. Proceed, gentlemen.

Q. (By Senator Hanger, resuming): "No. 5. That James E. Ferguson testified under oath before the House Investigating Committee on March 11 and 12, 1917, that he was not indebted to the Temple State Bank. That at that said time he owed said bank a note for \$11,243.07 on which there had been paid by him on February 13, 1917, and less than a month before he testified, the sum of about \$3029.00, leaving a balance due on said note of more than \$8000, which was then owing to the Temple State Bank and was not paid

until June 16, 1917." Governor, did you pay—were you present when any credit was made on that note of \$3029.29?

A. No, sir, I was not.

Q. Did you know that was being paid on the note?

A. No, sir, not until I got the statement—that note referred to there, amounting to eleven—

Q. A little louder, Governor, please?

A. That note there, mentioned as being something over a \$11,000 note, was a note given by me in 1914, to Alex. Meer & Company for \$8500, and Alex. Meer Company was a cotton corporation that afterwards changed its charter name to the Whitley Cotton Company, and at the time when I testified before the House I did not have in mind that note, and I didn't know that the Temple State Bank had owned that note—I had forgotten about it—they may or may not have owned it; what I had in mind was, this \$150,000, as we all thought, would cover all of my indebtedness, but it seems to now appear that that note had been transferred to the Temple State Bank. The note was made originally to the Whitley Meer & Company, and they had at some time, I don't know now when it was, had transferred the note to the Temple State Bank.

Q. Now, Governor, were or not questions asked about the Whitley Cotton Company note during the House Investigation?

A. Yes, sir.

Q. I mean, the March investigation?

A. Yes, sir.

Q. Well, did you ever attempt or try to conceal the fact that you had at some time executed a note for \$8500 to that—to A. Meer & Company?

A. Not in the slightest. I understood that I owed them, but really I thought that the note had been paid—it had been running along for some time, and I didn't have that note in mind when I made the statement, nor did I know the bank owned it.

Q. There's some suggestion from some witness or witnesses that you made a new note sometime, or that it was made some time later. What time did this second transaction take place?

A. Oh, that was there along in June, I think, of this year.

Q. I think somebody said the first day of June?

A. The first day of June of this year.

Q. Yes. Did you ever up to that time have your attention called to the fact that a credit of \$3,029.29 had been entered on that note?

A. Yes, when they rendered me a statement it showed that it had been in there, and for the first time when I learned that—

Q. When did you get that statement—was that before your testimony in the House or afterwards?

A. Well, I don't remember about it—about the same time; after the four notes for \$37,500 had been sent to the Temple State Bank—

Senator Bailey: Mr. President, will the witness speak a little louder, please?

Q. A little louder?

A. Thank you, sir.

Q. Now, do you know whether you have paid on that note the sum of \$11,243.07?

A. The calculation now appears that I did not owe that amount by some \$840.

Q. Well, did you go into that matter of calculation to see whether or not they were calculating the interest with you properly, or not, when you made the new note?

A. No, I just took their calculation as correct and executed their new note in settlement of that note.

Q. Did you ever at the time you testified before the Committee, or since, in any way deny the execution of the note knowingly, or deny the fact that you owed the note?

A. Not in the slightest.

Q. Now, you said awhile ago that you thought the note was paid. Did you—did it run in your mind that that was embraced in the \$150,000 or not—is that what you mean?

A. No, I did not. The real fact is, it did not take into consideration the Meer note or the Whitley Cotton Company note—

Q. Yes?

A. At the time, because that had been executed to a different person or firm than the Temple State Bank.

Q. Yes, sir, I see. The note, then—the \$8,500.00 note which has been called the Whitley Cotton Company note, was not executed to the

Whitley Cotton Company, but to Alex. Meer & Company?

A. To Alex. Meer & Company.

Q. Oh, yes. Article 6 (reading):

"That there was deposited by Jas. E. Ferguson in the Temple State Bank on or about the month of January, 1917, the sum of \$60,000 belonging to the State of Texas and in the possession of the Secretary of State by virtue of his office, said amount being represented by a check of the Secretary of State although the State Treasury was open for the purpose of receiving same. That James E. Ferguson was a stockholder in said bank, owning more than one-fourth of the stock, and that the said Temple State Bank and James E. Ferguson used said funds and received the profit and benefit, the said James E. Ferguson receiving more than one-fourth of the profits and of the benefits."

Q. Did you deposit this \$60,000 check?

A. Previous to that time the Secretary of State had opened up an account with the Temple State Bank, and upon one occasion when I was going to Temple the Secretary of State delivered to me a check for \$60,000.

Q. Is that the present Secretary, Mr. Bartlett?

A. Mr.—yes, sir, Mr. Bartlett; and I took that check to Temple and deposited it with the Temple State Bank for the credit of the Secretary of State.

Q. Some question has been asked of Mr. Blum, or someone here, about why—or whether anything was said about that check, or whether or not you made any comment or statement about that deposit when you deposited it. What did you do when you deposited it?

A. I went up there and deposited the check with the Cashier, Mr. Hughes. Sometime during the time I was there we had a meeting of the Board of Directors, and at that meeting Mr. Hughes exhibited to the directors the check, stating that they had received a nice deposit, something of that kind. I made no comment upon it, or—

Q. Well, were you in any way responsible for the statement of Hughes to the directors?

A. None whatever.

Q. It says here that the Treas-

ury was open. What funds were those, do you know, embraced in this \$60,000 check—did the Secretary of State, do you know from him what kind of funds they were, or did you inquire?

A. I understood that they were collections on franchise taxes—I am not sure about that, but that was my understanding.

Q. Did you, after you went in office,—while we are on this subject,—have any, or was any investigation made, or any report of any investigation made to you about the time for making settlements with the State Treasurer?

A. Yes, sir, I—

Q. Who made that investigation, if anyone did?

A. Mr. John S. Patterson, now dead.

Q. What was—did he hold any official position?

A. He was Commissioner of Insurance and Banking.

Q. What was his business before he went and took that place?

A. He was a lawyer of known ability.

Q. Living where?

A. In Dallas.

Q. You say he did make an investigation?

A. He made an investigation.

Q. Of the statutes on that subject?

A. Of the statutes on that subject, and—

Q. What did he report to you, without going into the details as to the times when those settlements under the law had to be made?

A. He reported to me that the—

General Crane (interrupting): Mr. President, I object, sir, to using the advice of any lawyer that is contrary to the express words of the Texas statutes, as not being in justification of or extenuation for violating that statute. The statute of 1882 requires settlements to be made of franchise taxes every thirty days, and I do not think the witness ought to give the opinion of any lawyer contrary to the express wording of the statute.

Mr. Hanger: We think, in the first place, the statute does not provide that in reference to franchise taxes; and independent of that question, we are trying to discover now—it is a pertinent inquiry—what the intent of the Respondent was, whether or not it was to violate the

law as they have charged in these articles, every one of them.

The Chair: I believe it would be better to receive the evidence.

Q. Go ahead?

A. A short time after Mr. Patterson came here he was in my office, and said that he had been looking up his duties under the law, and—

Q. Governor, talk a little louder, please, sir?

Senator Hudspeth: Talk a little louder, Governor, we cannot hear you.

A. That he had been looking up the law in reference to his duties, and that he had found that those parties—I think the Attorney General, Commissioner of Insurance and Banking, Secretary of State, and, I believe, the Comptroller, were required to keep a fee book showing the—required to make a report from the fee book which they were to keep in their office, at the end of every quarter, and that when they made their report, that they should pay those fees into the Treasury, and that it was his opinion that the Commissioner of Insurance and Banking, the Secretary of State, and the other officials named in that statute were only required to report quarterly, and that he was going to make his reports quarterly—and that he was going to make his reports that way, instead of making them monthly, as had been the custom when he came to Austin. We then discussed the statute at some length, and he further stated, as a part of his opinion, that the articles providing for the monthly settlement referred to the fees that are mentioned in the preceding or ante-dating article, and that any other fee that was not mentioned in those articles would come within the quarterly provision, and that they would only be required to be placed in the Treasury every quarter; the fees mentioned in the statute as being required to be deposited monthly, do not include franchise taxes, and that it was his opinion from that that any other fees, other than those for the charters and certificates, and so forth, would only have to be reported quarterly.

Q. Now, you accepted that statement of his as to his construction of the statute?

A. I did. It was perfectly apparent to my mind after the matter was called to my attention.

Q. I mean, as to the franchise tax?

A. As to the franchise tax and as to the quarterly settlements.

Q. Yes?

A. For certain officers.

Q. Yes, sir?

A. Mentioned in the statute.

Q. Yes. Article 7—

A. Before you get away from that—

Q. Yes.

A. —there is something at the end of that article about profits.

Q. Oh, yes, there is something said about profits and benefits, (reading):

"The said James E. Ferguson receiving more than one-fourth of the profits and of the benefits?"

A. I never thought anything about any interest on that deposit, or any other deposit of the Secretary of State. After having had the discussion with Mr. Patterson, it was apparent that those funds could only remain in the Treasury three months at the longest, and that they could not be loaned with safety by any bank for a period longer than that, and there was no agreement to pay interest to the Secretary of State, or to me, or to anybody else on the deposits with the Temple State Bank, consequently I had not in mind in the slightest degree any question of profit whatever.

Q. Now, the reason I did not ask you that was, because I thought that under Article 7, probably that it would be well enough to make that explanation as to the \$250,000.00, as well as this, so, we will pass now, to the 7th?

A. Yes, sir—all right.

Q. And ask you to continue that explanation, if you have any other statement to make. Now, the seventh (reading):

"Article 7. That on or about May 29, 1917, James E. Ferguson accompanied T. H. Heard, President of the Temple State Bank, went to the American National Bank at Austin and the said T. H. Heard deposited to the credit of the Temple State Bank, with the knowledge and consent of the said James E. Ferguson, the sum of \$250,000.00 of the funds belonging to the State of Texas, and in the possession of the Secretary of State, said funds being represented by five checks drawn by the Secretary of State in the sum of \$50,000.00 each, although the State Treasury

was then and there open for the purpose of receiving same. That the said James E. Ferguson owned more than one-fourth of the stock of the Temple State Bank, and that said amount was used by the Temple State Bank for its own profit and benefit, more than one-fourth of which profit and benefit belonged to James E. Ferguson."

Q. Governor, I wish you now would explain to the Court everything and anything about that transaction, complained of in Article 7, the five checks for \$250,000, and everything about it?

A. Well, Mr. Heard, the President of the Temple State Bank, or since his election as president, sometime along in March or April. I forget the time, had not met the officials of the banks with which the Temple Bank was doing business. He happened to be in Austin the day that the \$250,000 was deposited—was delivered by the—to me, as represented by the five checks of \$50,000 each, and he stated that he would like to meet the Austin bankers, or, perhaps—I had on a previous occasion, had told him that if he would come to Austin, that I would introduce him to the Austin bankers, and so, in company with him, we went down to the American National Bank and he there deposited for the credit of the Temple State Bank these five checks for \$50,000 each, and endorsed the checks, as I remember it, "Temple State Bank, by T. H. Heard, President." I introduced him to Mr. Wroe and Mr. Davis, and I think, perhaps, Mr. Roberdeau. I then went with him down to the Citizens Bank and Trust Company and introduced him to Mr. Thrasher, and while we were there—no, before we left the American National Bank, however, I want to say that there was nothing said about any payment of interest upon that deposit, and I knew about no agreement nor heard any agreement made about paying interest on the deposit. As I say, we went then down to the Citizens Bank & Trust Company and I introduced Mr. Heard to Mr. Thrasher, President of the Citizens Bank & Trust Company, and he, in my presence, stated to Mr. Thrasher, "I want to leave a deposit with you," and Mr. Thrasher thanked him, and he gave him a check on the American National Bank for \$10,000, and told Mr. Thrasher, says, "This money is going to be here only a short time, I don't ex-

pect you to pay any interest on the deposit." That was about all that transpired there, and we then went down to the Austin National Bank, and I there introduced Mr. Heard to Dr. Wilmot, the president of the bank, and Mr. Foltz, and I think, perhaps, one or two officials of the bank. Mr. Heard told Mr. Foltz that he wanted—perhaps it might have been Mr. Hirshfeld, I don't remember, but anyway, he told one or the other of them he wanted to make a deposit, and gave them a check upon the American National Bank for \$10,000, and told them that as the money was only going to be there a short time, he didn't expect any interest on the deposit. And then I carried Mr. Heard around to the State National Bank and there met the officials of that bank, and I introduced Mr. Heard to them. After a short conversation, Mr. Heard says, "I want to make a deposit with you," and gave them a check upon the American National Bank for \$10,000, and again repeated the conversation, saying that as the money was only going to be there for a short while, that he would not expect any interest upon the deposit. That ended the visit with the Austin bankers, and Mr. Heard, I think, went home on the afternoon train.

Q. Did you know, or was anything said, or did you expect the American National Bank to pay any interest on that deposit, or any part of it?

A. No, sir.

Q. The American National Bank or elsewhere?

A. No, sir, I did not, and it is my opinion that that was an afterthought. The money—I call attention to the record that was introduced by Mr. Hargon here, that that \$250,000.00 only stayed with the Temple State Bank forty-five days, when in due course of the quarterly statute the settlement was made with the Secretary of State.

Q. But what I meant to ask you was, if you knew or had any sort of idea that the American National Bank was going to pay the Temple State Bank interest for as long as it remained there?

A. No, sir. The question of interest never entered my mind, and if the question had been raised by the American National Bank that that money was, the Secretary of State's money, which could only be for a short time, and that they would not pay any interest on it, why, I

think they would have been entirely correct, and that was the reason why Mr. Heard was telling the other bankers that they should not pay any interest on it.

Q. The latter part of this article contains, I think, exactly the same language as the closing sentence of Article 6, and that is that you owned more than one-fourth of the stock of the Temple State Bank, that said amount was used by the Temple State Bank for its own profits and benefits, more than one-fourth of which profits and benefits belonged to James E. Ferguson?

A. The question of profits and benefits to me never entered my mind. If it had entered my mind, it could not have been of any consequence, because the money I knew, and everybody else knew that was connected with it, that that money had to be paid into the State Treasury at the end of the quarter, and there was no profit of any consequence that could accrue from it.

Q. Article 8—

Senator Dayton (interrupting): Senator Hanger, I have a question I wish to propound.

Mr. Hanger: Yes, yes, Senator. (Thereupon Senator Dayton sent a written question up to the Chair).

The Chair: This question by Senator Dayton, (Reading): "Governor, did you get any interest upon the money you, the Secretary of State or any other member of your cabinet placed in the Temple State Bank—that is, was your personal account credited with any sum of money as compensation for leaving the State's money with the Temple State Bank or from the American National Bank of Austin?"

A. Not in any respect whatever, directly or indirectly.

The Chair: All right, gentlemen.

Mr. Hanger: Any other questions?

Q. Article 8 reads: "That James E. Ferguson sought to have the State Highway Commissioner deposit State funds of that department with the Temple State Bank so that said bank might receive the profit and benefit from same, and he being a heavy stockholder would have received a portion of the benefits. That he also had, or permitted, other departments of the State Government to deposit money with the Temple State Bank, or with other

banks, to the credit of the Temple State Bank, said amounts belonging to the State of Texas, and that the Temple State Bank profited from the use of said funds, and the said James E. Ferguson received more than one-fourth of the profit and benefit." I think your testimony has covered the latter part. Did you seek to have—did you hear Mr. Hancock's testimony?

A. I heard Mr. Hancock's testimony, and in reference to that charge Mr. Hancock's testimony, I think, is as near correct as it can be stated. He simply notified—stated to me that they had a bushel of checks down there, a basket full of checks down there that they couldn't clear, and I merely extended to him, as he had complained that they had not cleared it through the banks here, I merely extended to him the facilities of the Temple State Bank to help collect the checks, and after I had called his attention to the statute that specially provided that in his department the money would have to be put in to the Treasury as collected—

Q. Immediately upon collection?

A. Yes, sir.

Mr. Hanger: If any member of the Court has any written question, we will wait now.

Senator Hudspeth: I am preparing a question, Mr. Hanger.

Mr. Hanger: Yes, sir, all right.

The Chair: This question by Senator Hudspeth. (Reading): "Governor: By reason of the fact that you or any other state official or appointee of yours, deposited State money in the Temple State Bank, was your line of credit extended by said bank by reason of said deposit of State money?"

A. I think not. Every loan that I made from the American National Bank was made upon ample and sufficient collateral, and a rate of interest equal to the prevailing rate of interest was paid thereon, and I feel sure that the loans would have been made regardless of the fact of whether any deposit had been made with them, or not.

The Chair: Any other questions, gentlemen, on that point. If not, we will proceed. All right, Mr. Hanger.

Mr. Hanger: All right, sir.

A. And I believe he said something about another official,—I don't

know anything about any other official borrowing any money.

Q. Have you any knowledge of any other officer—

A. No, Sir.

Q. —borrowing any money on the strength of those transactions?

A. No, sir, or otherwise.

Q. Or otherwise?

A. I haven't any knowledge of it.

Q. Did you ever borrow any money from the Temple State Bank or the American National Bank or the Heidenheimer State Bank or the Houston National Exchange Bank or the Union National Bank, at other than the prevailing rates of interest?

A. I never did.

Q. Did you ever borrow any money at a nominal sum, say, ten or twenty dollars a year, on five or six thousand dollars?

A. Nobody ever gave me any such privileges as that; I had to pay the current rate of interest.

Q. Article No. 9. "That the said James E. Ferguson has himself deposited, or caused or permitted to be deposited, funds in banks when the Treasury of the State of Texas was open for business, which funds should have been in the State Treasury. That he has used and permitted the use of funds by officers appointed by him for purposes other than the paying of same into the Treasury of the State, said funds being substantially as follows:

(a) That about the month of January, 1917, he deposited with the Temple State Bank the sum of \$60,000 of funds in the possession of the Secretary of State.

(b) That on May 29, 1917, in company with T. H. Heard, president of the Temple State Bank, he permitted the deposit of funds in the possession of the Secretary of State to the credit of the Temple State Bank in an amount of \$250,000.

(c) That he permitted the Commissioner of the Insurance and Banking Department to deposit funds during the year 1916 with the Temple State Bank in an amount of more than \$10,000.

(d) That each and all of the above acts were knowingly and willfully committed by the said James E. Ferguson."

A. I take it for granted that that charge is based upon the statute read the other day, Article 96 of the Crimi-

nal Code providing that any officer of the Government who is by law a receiver or depositary of money, who shall wilfully and fraudulently deposit—fail to deposit money in the Treasury when it is open for business, that they shall be guilty of a felony and fined as provided for in the statute. I found when I came to Austin that everybody kept a bank account—every State official, from the Supreme Court on down, and that that money—that statute only applied to money after the time had elapsed when it should be deposited in the Treasury and that the officer of the government who would wilfully or fraudulently, for the purpose of converting it to his own use and benefit after the time provided for by law for its deposit in the Treasury, that that applied to him. As I say, the Supreme Court settles quarterly, as stated by Mr. Connerly the other day; the Attorney General settles monthly, and an official of the Land Office over there, the receiver, I believe they call him, he deposits monthly; the Comptroller, I heard him tell Mr. Edwards that he only settled once a year.

General Crane: Well now, that is hearsay, Mr. President.

The Witness: Well, all right, I beg your pardon, General. I didn't—

Mr. Hanger: Well, leave that alone, Governor.

A. And that statute also especially enumerates the State Treasurer, that he shall keep the money only in the Treasury, and yet I found when I came to Austin that he was a member of the clearing house and that at times he had as high as a million dollars in the Austin banks, for short periods, of course, and that that statute only applied, as its express terms provide, to men who wilfully and fraudulently after the time required by law for it to be paid into the Treasury, refuse or fail to pay it into the Treasury.

Q. Was it ever your purpose, Governor, to withhold money from the Treasury of this State after by law it was required to be there?

A. Not in the slightest particular. It would have profited me or anybody else nothing to have done that. A record is made of every dollar that a public official gets; he could not steal it and run away with it and escape detection; he gives a receipt for it and when the time comes, if he had any sense on earth, there is nothing else

in the world for him to do but to deposit it as required by law.

Q. Have you during the time you have been in office as Governor of this State had any sums entrusted to your care of any magnitude or any buildings erected under your direction or any expenditures made under your direction?

A. In a very large amount—

General Crane: Mr. President, I don't see the pertinency of that.

The Chair: What is the relevancy of that?

Mr. Hanger: The purpose of it is—we think it is admissible in every kind of a case to show where a man is charged with having diverted funds or misused funds or used it for his own benefit, to show that he had handled large amounts of money, many hundreds of thousands of dollars, many times, and every cent of it has been expended. We want to show—he is charged with misconduct in office, wilful violations of the law, using money for his own benefit, withholding money from the Treasury,—we expect to show, if permitted by the President—by the Chair and by the Court, we expect to show the expenditure of hundreds and hundreds of thousands of dollars under the supervision of this Respondent, every cent of which has been expended honestly and properly, and without profit to himself. It bears upon his official conduct and his intention with reference to everything that he has done, we respectfully submit.

The Chair: Mr. Hanger, wouldn't it be opening up in this trial dozens of transactions that—

Mr. Hanger: No, sir, I don't think so. I think it simply lets in testimony of his handling of funds. The very fact that he has handled millions—two or three millions of dollars and there has not been a cent of it lost or a cent of it misspent, it seems to us would be of the strongest value in establishing in the minds of the members of this Court that this man is not stealing money from the State.

General Crane: We are prepared, Mr. President, on the issues tendered and upon the acceptance of those issues prepared to produce testimony upon those issues, but we do not care to expand them, the trial beyond that. As your Honor suggests, if we must go into all sorts of side issues we will be here until Christmas.

Mr. Hanger: We are charged here—I didn't mean to interrupt you, I thought you were through.

General Crane: No, I was just going to say—

Mr. Hanger: I beg your pardon.

General Crane: That in the beginning counsel on the other side insisted on sticking very closely and almost literally to the charges. Now, I don't believe it is ever proper under any rule of evidence to take such a broad course as they indicate here now; and besides that we are not prepared to go into that; if they had pleaded it then we would have had an opportunity to look into it and we would have been prepared to have presented the issues if there were any arising out of it, but manifestly an ex parte statement now—Why, Your Honor, if a man is charged with violating one statute he cannot defend under that by showing he has obeyed some other. If he is charged with violating a statute—a plain Texas statute, he cannot defend by showing the numbers of times he has complied with other statutes. He can put in issue his general reputation, something of that sort, but to show how he has complied with the law at various other times and places is wholly immaterial.

Mr. Hanger: I call the Chair's attention to this fact,—we have brought out already the Dayton Lumber Company case as bearing upon—

The Chair: (Interrupting). Let the Chair remark here that that was brought out much more at length than it would have been if objection had been made, because the Chair only undertook to allow testimony to go into this record that would show the want of authority to try questions that have not—

Mr. Hanger: We understand that, and as bearing upon the intent of this Respondent with respect to that item charged here in Article number one, we appreciate that, we appreciate that; I do not mean to criticise the ruling, we do not mean that at all, but having gone into it we conceive the idea that it should be fully gone into and the investigation with reference to that item should not be hampered by objections. He is charged with fraudulent acts and conduct with reference to the State's money. If we show

—we respectfully submit that if we show when he is charged with the misuse of State funds, with using for his own personal benefit State funds, it is not only admissible here, but if he were charged in the courts of the country by indictment with theft of money, that he could show then, as a fact, that he had had opportunity to take thousands and hundreds of thousands of dollars and had not done so, and that is admissible testimony, even if he were being tried for an offense in the courts of the country.

Senator Bee: Mr. President, may we have the benefit of hearing the question read again?

The Chair: The Reporter will read the question referred to, which is as follows:

'Q. Have you during the time you have been in office as Governor of this State had any sums entrusted to your care of any magnitude, or any buildings erected under your direction, or any expenditures made under your directions?'

General Crane: My objection is that that is wholly immaterial as to whether he has or has not.

The Chair: I cannot see that it would be proper to go into those things.

Mr. Hanger: We submit to the ruling of the Chair. Of course, we—

Senator Page: I would like to have the question read again; I couldn't hear the Reporter distinctly over here.

(Thereupon the question just above set out was again read by the Reporter).

Senator Page: That question is admissible in regard to the Canyon City Normal Fund, if he wants to testify about that; there is an issue tendered here on that.

General Crane: We have no objection to his testifying about the Canyon City Normal fund.

Senator Gibson: May I ask the counsel a question—in all moneys expended for public buildings, etc., are not appropriations made by the Legislature and moneys could not be drawn out simply to the funds—simply to the Canyon City Normal, etc.?

Mr. Hanger: Probably the erection of buildings would not come within that. I had in mind the buying of farms and things of that sort.

The Chair: All right, proceed gentlemen.

Mr. Hanger: All right, sir.

That was number nine we read then. No. 10 reads as follows:

Senator Hudspeth: I have a question right here, Senator.

Mr. Hanger: Yes, sir, I forgot, Senator. We will wait for such questions.

The Chair: Any other Senators now having questions on this particular article will please submit them. This question by Senator Hudspeth. (Reading):

"Governor, have you ever at any time since you have held the office of Governor of this State, used any of the State's money for your own individual benefit?" By Hudspeth.

A. I have not.

The Chair: All right, gentlemen.

A. Other than what might have appeared as the result of the mistaken charge of the \$5600.

Q. And about that you knew nothing until the time you mentioned here.

A. No, sir. The State lost nothing by it; whether the money had remained in my possession or in the Governor's account, it made no difference in the final results, so far as the State was concerned.

Q. Subdivision (c) of this Article 9 reads this way: "That he permitted the Commissioner of the Insurance and Banking department to deposit funds during the year 1916 with the Temple State Bank in an amount of more than one hundred and one thousand dollars."

Senator Page: Mr. President, that question, I don't understand that the Governor of this State has any control over the Commissioner of Insurance and Banking; that he has anything to do with permitting him to deposit anything.

The Chair: I suppose the question would arise when the demurrers are presented, or when we are deliberating on it.

Senator Page: I simply don't understand. This witness was asked the question if he permitted a man to do a certain thing, and my view of the law is he has got no authority over that man.

Senator Bee: Will the Senator from Bastrop yield.

The Chair: Will the Senator from Bastrop yield to the Senator from Bexar?

Senator Page: I will yield.

Senator Bee: It occurs to me, that being a charge filed by the House would be freely discussable, as suggested by the Chair, on the demurrer to the charge and not at this time, and not as an objection to the admissibility of the testimony.

The Chair: Yes, I would think so.

Senator Page: Well, I don't understand, this witness is asked the question. I don't see how the witness can answer any question except to say that he has nothing to do with the Commissioner of Insurance and Banking—

Senator Hudspeth: If the Senator will permit, it seems to me any Senator at any time can demur as we proceed in this investigation, to any question. I say in reference to the statement made by the Senator from Bexar, it seems to me any Senator can demur to the testimony at any time.

Senator Page: I am not attempting to demur, and I don't want it to be understood that way at this time, but it don't occur to me that the Governor of Texas—it seems to me he could as well be asked if he permitted the Attorney General or the Comptroller to do anything, if he has any authority over them.

General Crane: I think some of the Senators have lost sight of the fact that it is the duty of the Governor to see that all of the laws are enforced. If it is one of the heads of one of his departments, the Comptroller, or one of his appointees, is ruthlessly violating the statute in depositing money where it ought not to be, it is his duty to enforce the laws. I think that is all of our views. Whenever the Governor is compelled by his oath to enforce all of the laws, he can not shut his eyes to the fact that one of the heads of his departments violates it, and it is his duty to take such steps as is necessary to see that those laws are complied with.

Senator Page: The main part of this charge is that the Governor of Texas has violated his duty by not instructing the Attorney General of Texas to bring suit in court to prevent the Commissioner of Banking and Insurance from doing certain things. That would be the necessary result of this, not that this Governor has permitted a man in any case—he has no right to permit him, but that he has known of the violation of the law, because he

could only act through the Attorney General or through the legal officers of this State. The charge would be then, in this case, not that he is violating the law, but that he has permitted the law to be violated, that is, he has not taken steps to correct that violation. I forget now, but I understood that the charge against the Governor is that he permitted the Insurance Commissioner to do certain things. I don't understand he had any authority over the Insurance Commissioner, over the Comptroller, over the Treasurer, never had any authority over the Treasurer of Texas. If he has, he would never have allowed the amount of ten thousand dollars that he borrowed from certain parties—ten thousand dollars, and pay ten dollars a year on it—

The Chair: I believe we had better omit further discussion on that, the discussion on demurrers here, merely a discussion of demurrers by the Senate. We will discuss these demurrers in executive session.

Senator Bee: I was going to make that suggestion in answer to my friend from El Paso. If we undertake to pass, when it is read, upon the question whether it is a proper charge or not, we will get into a confusion. These matters can be disposed of at the time we reach the demurrers to the charges, as set out in the Respondent's answer. Nothing else would be in order at this time, except to propound the charge as stated and receive the answer and let the answer be cross examined, and then at the proper time this court discuss the question as to whether or not the charge is subject to a demurrer.

General Crane: I entirely agree with the Senator from Bexar, Mr. President. I only want to add one more thing to keep the Senators from misapprehending our position, and that is, the Senator from Bastrop loses sight of the fact of the Governor's testimony that he and the Commissioner of Banking discussed all these matters, and leave the inference that the course was agreed upon.

Senator Page: I make this statement as to that. There is no charge here that the Governor of Texas conspired, which would be, as General Crane suggests, there is no evidence that the Governor conspired with the

Commissioner of Insurance and Banking to violate the law. The principal charge is made that he permitted the Commissioner of Banking and Insurance to do certain things. He has absolutely no authority over the Commissioner of Banking and Insurance. He might as well ask him if he controlled the President of A. & M. and the President of the University as to the deposit of certain moneys. That only encumbers the record and it ought not to be so.

Senator Bee: There is a charge pending.

Senator Page: We often differ about things, and we differ upon this occasion. The witness upon the stand is asked if he permitted a certain man to do a certain thing that he had nothing to do with. If I were Commissioner of Banking and Insurance and he told me to do those things, I would not have done them, and if he told me not to do it I would pay no attention to it unless I thought it was right. He has not any authority over the Commissioner of Banking and Insurance that I know anything about.

The Chair: Go ahead, Mr. Hanger.

Mr. Hanger: With this inquiry, your Honor?

The Chair: Yes, sir.

Senator Page: Wait a minute, your Honor, I want to know what the ruling of the Chair is.

The Chair: That counsel for both sides request us to take the demurrers of the case that otherwise have not been argued or presented to the Court, and this is not the time now for the Court to pass on demurrers—

Senator Page (interrupting): I object to counsel making a statement and asking the question what the Governor permitted the Commissioner of Banking to do. He cannot be questioned upon the proposition and I object to it. He cannot answer the question with my permission in this Court.

The Chair: The objection is overruled.

Senator Page: I desire that the question be submitted to the Senate.

Mr. Hanger: May I make the statement before you do that, about what the question is that is intended to be asked? The Senator will remember, and the Chair will remember, that a certain letter was read over the objection of counsel for the Respondent, written by Mr. John S. Patterson, now

dead. It is intended, and we return to this subject (c) of this paragraph in order to ask the Governor specifically if he had talked to Mr. Patterson about this, the statement having been made here by General Crane that presumably they talked about the whole subject,—by inference they talked about the whole subject, we thought it was just to the Respondent, inasmuch as the letter of Mr. Patterson had been read, to ask him if he knew of this letter, knew of its contents, knew of any arrangement about things, or knew anything about that deposit save and except the particular statement made to him by Mr. Patterson. That was the line of inquiry.

Senator Page: Now then, if the counsel would suggest his question, I objected to the question as asked—if he desires to change the form of it. I do not object.

Mr. Hanger: I do. I didn't really know I had asked the question, I had just read.

Senator Page: I object to this witness being asked the question "Did you permit the Insurance Commissioner to violate the law?"

Mr. Hanger: We won't ask that.

Senator Page: If the question is withdrawn I do not object.

Mr. Hanger: I withdraw the question.

Q. Governor, you heard the letter read by General Crane and the statement made by them, of Mr. Patterson having discussed this matter. Did you and Mr. Patterson ever discuss this any further than as you stated this morning, the legal advice that he gave?

A. That was the extent to which the discussion went.

Q. Did you see the letter that he wrote to the bank that was introduced—what bank was that?

A. The Temple State Bank.

Q. I thought it was Mr. Thrasher's bank. Did you ever see that letter?

A. No, sir.

Q. Did you know if his writing that letter?

A. No, sir.

Q. Did you know the contents of it, and what was said in there about the exchange?

A. No, sir, I knew nothing about that. I did know, but I forget now just how I got the information, but I did learn that the Commissioner of

Banking had opened up an account with the Temple State Bank?

Q. Did he do that at your suggestion?

A. No, sir.

Q. Now, that was done during. I believe it has already been shown, the administration of the office of Mr. Patterson, of the banking department by Mr. Patterson?

A. Yes, sir.

Q. And continued by Mr. Austin, and I learned from the testimony that he discontinued it the early part of this year?

A. I don't know anything about that. I have been told, I heard him testify about it.

Q. Art. 10: "That on March 3rd, 1917, he stated in a public speech before the House of Representatives, which body had under consideration a resolution to investigate charges of official misconduct against him (one of said charges being borrowing more money from the Temple State Bank than was authorized by the laws of Texas), that he was not indebted to the said bank in any amount whatsoever, when as a matter of fact he was indebted to same at that time for more than was authorized by law." Were you before the House of Representatives on the 3rd day of March, 1917, Governor?

A. I don't recall the date, but I did discuss this matter before the House of Representatives.

Q. You have heard the newspaper statements made here, read here, and testified to by Mr. Dubose and Mr. Hornady, I believe?

A. Yes, sir.

Q. Was that about the date?

A. That was about the date, the date was correct, as I recollect.

Q. What was the occasion of that address, the statement before the House of Representatives?

A. I may be in error about it, but I think it was the time that Mr. O'Banion, a member of the House, introduced a resolution. If I am mistaken about that, it was about the time that Mr. H. P. Davis, another member of the house, introduced a resolution.

Q. It was on the occasion, then, you mean to say, of the introduction of a resolution in the House?

A. Yes, sir, either by Mr. O'Banion or Mr. Davis.

Q. Did you make the statement here ascribed to you?

A. I did, I made the statement that I considered that the notes of \$37,500.00, executed by Mr. Davis and by my brother, were notes to the bank, and my name did not appear upon those notes.

Q. Were they, or not, due?

A. They were not due and until default had been made in the payment of those notes, that I was not liable on those notes, and my liability was contingent on something to happen in the future, and which had not happened at the time I made the statement. And, as I stated before, I did not have in mind the Whitley Cotton note at the time, and upon that state of facts I in good faith made the statement that I did not owe the Temple State Bank anything.

Q. Now, following that, the investigation began on about the 7th day of March?

A. I think that is correct.

Q. You were on the stand in that investigation before the Committee?

A. Yes, sir,—appointed from the House.

Q. Yes, sir, the Committee I mean. You testified fully about the transaction?

A. About the whole transaction, and the whole matter was gone into.

Q. Now, the latter part of article ten, says: "When as a matter of fact he was indebted to same at that time for more than was authorized by law."

A. I think my explanation just made answers that proposition on that statement.

Mr. Hanger: Now, does any member of the court have any questions?

Senator Bee: I have a couple of questions, Senator, that I would like to ask.

The Chair: Are you through, Mr. Hanger?

Mr. Hanger: Yes, sir.

The Chair: Do you desire to have the question read at this time, Senator?

Senator Bee: If you please, sir.

The Chair: The following questions, by Senator Bee: First: Did you ever discuss the authority of the Banking Commissioner to deposit funds in the Temple State Bank,

and if so, what was agreed upon, if anything?

A. I did not discuss the deposit of funds in the Temple State Bank with either Mr. Patterson or Mr. Austin. I knew, or I learned somewhere, I don't recall, that Mr. Patterson did have an account with the Temple State Bank.

The Chair: This is by Senator Bee: "Did you know that funds were being deposited in the Temple State Bank by the Banking Commissioners?"

A. Yes, sir.

The Chair: All right, Senator.

Q. Article 12: "That James E. Ferguson had on deposit during the year 1916, in the American National Bank, to his account as Governor—

General Crane: Did you skip number eleven purposely or accidentally?"

Mr. Hanger: Well, I have started to read twelve now.

Q. "That James E. Ferguson had on deposit in the year 1916, in the American National Bank, to his account as Governor certain sums of money belonging to the Adjutant General's Department of the State of Texas aggregating more than three thousand dollars, said funds being the property of the State of Texas, but set aside for that department. That in violation of the statutes of Texas he diverted these funds from their lawful purpose, and paid same as a portion of the amount for the construction of the building of the Normal College located at Canyon City."

A. It now appears that that was done, but I knew, as stated this morning—I knew nothing about it, and since the receipt of those funds I at all times have been able, ready and willing to account for those funds and report the same to the Legislature and explained the same fully, a couple of months afterwards, to an investigating committee, of having had the funds in my possession, and when Acting Governor Hobby came into office I delivered those funds to him and took his official receipt therefor.

Q. You say you reported this Adjutant General's fund to the Legislature—and the report, I believe, has been introduced in evidence here and read?

A. Read, that is, early in January:

Q. Was any action taken by the Legislature with reference to the \$3,050.00 of the Adjutant General's fund?

A. No, sir.

Q. Or any other orders made by it as to its disposition?

A. None whatever.

Senator Hudspeth: Mr. Hanger, when was that report, when was it read?

Mr. Hanger: It was read, Senator, Friday morning, when Mr. Davis was on the stand.

The Witness: That report, if you will permit me, that report was the report which the Governor, under the law, is required to make upon the convening of the Legislature, showing the moneys that have come into his possession—

Mr. Henry: It was in the Governor's message, in the general message to the Legislature.

Mr. Hanger: Here it is, Senator.

Senator Hudspeth: I wish you would read it again, that portion of it.

Mr. Hanger: I will read it.

Senator Hudspeth: I don't think the entire Senate was present, I wasn't.

Mr. Hanger: Mr. President, we ask permission to read this again, at the request of the Senator from El Paso. It is not asked to go into the record again. It is not asked for the stenographers to put it in record, but the Senator from El Paso asked that it be read, and we ask permission to do it.

The Chair: If there is no objection to the request—the Chair hears none.

(Thereupon Mr. Hanger read the portion of the message referred to, contained on page 77 of the Senate Journal, and which is here referred to but not copied.)

Senator Hudspeth: Thank you, I didn't hear it before.

Q. Now, when you turned this money over to Governor Hobby, was this sum that I have just read here, \$3,116, and some cents, paid over to him in full?

A. Yes, sir; and receipted by him as such fund.

Thirteen: "That at the former investigation of Governor James E. Ferguson he was specifically charged with the misapplication of moneys of the State of Texas in the purchase of groceries, feed, automobile tires, gasoline, etc. The committee ap-

pointed by the House of Representatives found that he did so misapply several thousand dollars and converted same to his own use in the purchase of the items above enumerated. That before said committee Governor Ferguson testified under oath that if the case of Middleton vs. Terrell, Comptroller, should be decided by the Supreme Court against him that he would refund to the State of Texas such amounts misappropriated by him in accordance with said decision. The Supreme Court long ago refused an application for writ of error and overruled a motion for rehearing, thus deciding against him, but James E. Ferguson is still indebted under said decision to the State of Texas for groceries, feed, automobile tires, gasoline, etc., which were for his private use but which were paid with State funds, and he has failed to pay same in accordance with his oath before said committee of the House of Representatives. The report of the House Investigating Committee stated that the charge of misapplication of funds should not justify the serious penalty of impeachment inasmuch as Governor Ferguson had testified that he would promptly pay said amounts to the State, and that in the judgment of the committee this agreement to repay should be considered in connection with the good faith of the Governor. That the said James E. Ferguson was guilty of misapplication of the appropriation made by the Legislature for fuel, lights, ice, and incidentals, and that he used the same in the purchase of groceries, feed, automobile tires, gasoline, etc., for his private use, and that his refusal to repay said funds constitutes a continued misapplication of the public funds of Texas."

Governor, was that question raised in the first or the March investigation?

A. It was, and the suit of Middleton vs. Terrell, Comptroller, was a suit growing out of the issuance of deficiency warrants by Governor Colquitt against a fund or appropriation made by the Legislature for fuel, ice, lights, water, and groceries; as I remember it, at the investigation by the House in March, I told the committee that, taking the Colquitt suit as a basis, that if the Supreme Court finally decided with the contention of the plaintiff in that case, who was Mr. Middleton, that I would repay myself the sums which had been paid

out by the State. As stated, that suit was a suit on deficiency warrants, and there had been similar deficiency warrants issued by me against a similar appropriation made by the Legislature. After the Supreme Court had decided the case contrary to the contention of the Comptroller, and probably previous to that time, I had taken up and had in my possession—I took up and paid off the deficiency warrants issued by myself and I have these warrants here for the inspection of the court, showing the amounts, amounting to about \$2,067, to discharge the deficiency warrants issued by me against the appropriation made for fuel, ice, lights, water, and incidentals. When I testified over in the House—

Q. (Interrupting.) Before the committee of the whole?

A. Before the Committee of the Whole, General Crane asked me if I had me—if I had repaid any of the original appropriation of two thousand dollars. I told him that I did not understand that anybody wanted me to repay the money which the Legislature itself had appropriated for the use and the benefit of the mansion over there, and if the House would indicate by a majority, if by only one vote, that they wanted me to repay that back that I would pay that also, and after the House filed the charges, and further complaining about my failure to pay that money, I concluded, without further investigation, that the House was of the opinion by that action that they wanted that sum repaid. And so I had a list made which Mr. Davis exhibited to the Senate and the court, amounting to twenty-four hundred and some odd dollars, and that amount was repaid to the Treasury.

Q. When was that done? I see, however; that the letter to the Treasury is dated the 25th, but it seems that it was not paid until the 27th. How did that happen?

A. I think that letter was written on Saturday and the deposit warrant was not made until the following Monday.

Q. Oh, I see. Yes, the deposit warrant was dated the 27th, that is right?

A. Yes, sir.

Q. Now, did you repay that sum as soon as you could have the items made out, and the sums added up so that you could learn the total

amount, the aggregate of these items, as soon after the presentation of these charges, after the vote of the House, as you could do?

A. I did, and I want to say here that in this list of deficiency warrants which I paid there are items amounting to approximately \$350.00 paid by me for labor at the Mansion, and which has been paid by me, something that no other Governor has been required to pay, so far as my knowledge goes. In other words, I have been required to pay for labor at the Mansion when the other Governors have always gotten their full labor bill at the Mansion. Here in this list is money paid to the yard man, to go out and mow that great big pasture over there that we live in, a great big lawn, and keeping care of the State's property. I have had to pay that, contrary to any custom or requirement that has ever been made of any Governor heretofore.

Q. Now, this last payment, are there any deficiencies embraced in that, or is that entirely a repayment of sums expended by virtue of an appropriation made by the Legislature?

A. Made by the Legislature, and in conformity with the ruling made by the Supreme Court in what is known as the Middleton vs. Terrell case, or more generally known as the chicken salad case.

Q. That was more than twenty-four hundred dollars, I believe you stated?

A. Yes, sir.

Mr. Hanger: Has any other member of the court a question?

The Chair: This question by Senator Hudspeth: "Governor, have you at this time any money belonging to the State in your possession, of any kind, unaccounted for?"

A. No, sir, I have not.

The Chair: Any other questions?

Q. Number 14: "That by an express provision of the Constitution and his oath of office the Governor is bound to enforce all the laws of the State of Texas. The laws of Texas during the period of his administration expressly forbade State Banks to lend money in excess of thirty per cent of its capital stock. This was known to the Governor, yet in violation of this provision of the law he induced the officers of the Temple State Bank to lend him,

James E. Ferguson, an amount far in excess of that authorized by law, which loans were made during the years 1916 and 1917." In addition to what you have said this morning which seemed to bear on the subject, tell fully, Governor, about your loans with the Temple State Bank.

A. As I stated this morning, a large part of the indebtedness of the Bell-Bosque Stock Farm and of my personal indebtedness, was the result of the purchase of cattle, which are considered by all banks as liquid collateral, something which you can get the money on any old time that you put them in the market, at some price, just like you can cotton and hogs, or cotton seed products, and while so far as the form of the indebtedness was not admitted in shape required for bills of exchange, yet as I was identified with the Temple State Bank in the most intimate way; that I had a personal and friendly interest in the bank, as well as a personal pride, I considered, and was considered by the President of the bank, after full discussion and full knowledge of the whole transaction, that the bank had valuable collateral or security when it had my overdraft and check for cattle the same as if it had a bill of exchange drawn against those cattle, and for that reason there was not much attention paid to the provision of the Statute prohibiting more than 30 per cent to be loaned to one person, because the statute especially speaks and provides that bills of exchange against cattle, existing values, are permitted to be in excess of 30 per cent of the capital stock of the bank, and furthermore in reference to that statute, up to the time the last legislature dealt with the question, and made it a penalty to borrow more than thirty per cent. of the capital stock, and surplus, which had been duly certified, it was acted upon by the bankers as a matter of customary banking, as a directory statute, that it was a kind of guide post that when the loan was good, and whenever it became necessary in the movement of crops or cattle to market, or the feeding of cattle, that the banks paid but very little attention to it and it was a common occurrence that the banks of the country have an overline existing, and it was in that respect and with that knowledge of the facts,

in view of the relations of myself to the Temple State Bank, that the amount exceeded the thirty per cent of the capital stock. For instance, to illustrate what I mean: the Statute referred to says that you can borrow over thirty per cent of the capital stock on farm products, such as cotton, provided that you have a margin of twenty-five per cent. Reduced to a practical proposition that would mean that if a cotton buyer wanted to borrow from a bank money to buy a bale of cotton which cost a hundred dollars to buy it, he would have to put up \$25.00 and the bank could only loan him \$75.00. Now, such a rule as that, notwithstanding the provision in the National Bank statute, as well as the State Bank statute, is absolutely ignored. To-day when cotton is \$125.00 per bale, where it would require thirty odd dollars margin, I venture to say there is not ten banks in Texas that have got any such margin for the cotton that they are buying, and if they take the construction of the Statute and insist upon it it would absolutely tie up the banking business and the movement of crops in Texas. Every practical banker would tell you that is generally true.

Q. Now you have mentioned cotton. Do you know the fact that grain products are handled practically the same way?

A. Grain products are handled the same way, cattle products are handled the same way. It is quite a frequent occurrence for some men who have a big string of cattle, to give a check on his bank for an amount that practically would equal the capital stock of the bank, and it would be considered as agricultural products and a loan against actual existing values.

Q. Now, Governor, I think you said this morning, but so much of this we might make a mistake about that, did this overline or any part of it go to purchase the feed, the sustenance of the cattle out there?

A. It did, that was stated this morning.

Q. I thought you did.

A. Yes, sir.

Q. Article 15 reads as follows: "The people of this State have adopted an organic law, the Constitution of Texas, equally binding upon its highest officials and its humblest citizen."

Do you subscribe to that doctrine, Governor Ferguson?

A. I do.

Q. "Article 7 of the Constitution provides for the maintenance and support of the University of Texas. That provision is a direction given by the people themselves in their most solemn manner to those who represent them in office as to their duties. The Governor has vetoed or attempted to veto the entire appropriation for the University of Texas except the salary for one officer, thus in effect seeking to set aside that provision of the organic law requiring the support and maintenance of that institution, and to set aside the express will and judgment of the people of Texas. Though he had the legal power of veto, it was his sworn constitutional duty to again submit the question to the Legislature, which he has declared to the people of Texas that he would not do, and it was only when a session had been called for his impeachment and it was apparent that a quorum of the House would attend to consider that question, and as a last extremity, he consented to call a session of the Legislature and submitted the question of appropriations for the University of Texas."

First, I want to ask you about the last clause in that article. It is charged there that you refused or said you would not call the Legislature together again until it was apparent that there would be a quorum present of the House and that then as an extremity you called the Legislature. Will you tell this Court about your call of this Legislature and about that statement there?

A. I never at any time said that I would not call the Legislature. On many occasions I said, and I believe now I am just as correct now as I was then, that I did not think that the Speaker had the authority under the Constitution to convene the Legislature, and after his attempted convention of the Legislature and it was apparent from information that I had that a quorum would not be present and after considerable talk going the rounds and on everybody's tongue here in Austin that I was afraid of impeachment proceedings and that I was running away from that issue and that everybody knew that if the Legislature was called that they would impeach me, then

I made up my mind that I was going to waive all question about the University—about the calling of the Legislature by the Speaker of the House and issue a legal call, so that if they wanted to go into that question they would be perfectly at liberty to do so. I did not fear then and I do not fear now anybody's impeachment proceeding. What I have done I have done from an intention of the performance of my duty as I saw it. That I may have been right or wrong may be admitted—that I may have been wrong may be admitted. That I may have been right was my position as I saw it. But I never so long as I am a citizen of Texas expect to run away or to use any technical plea to prevent a full and free investigation by the Legislature of my official acts. So, with that end in view, I said, "I will brush aside any question about the legality of this call and I will call the Legislature myself and let them prefer such charges as they may, and when the issue comes, to the best of my ability I will meet the charges."

Q. Now, Governor, about the charge that you were not going to submit a call to the Legislature to act on the University appropriation, did you ever state that you would not provide means for the University to run again?

A. No, sir. I have said on occasions that if conditions which I deemed that were objectionable to the best interests of the University were continued, that I thought it would not be best for the University to operate, and believing that I was correct in that position was the cause of why I made that statement.

Q. Did you ever have in mind, as is here in Article 15 charged, to disregard or violate Article 7, of the Constitution of Texas or any other section or article of that instrument?

A. No, sir. And I want to say right here, that after I had made the statement that I did make before the House sitting as a Committee of the Whole with reference to striking down—my attempt to strike down the Constitution and to prevent the operation of the University, I had not expected that that question would further be pursued in this chamber, in view of the express provision of the Constitution itself. For the benefit of the Senate on this

very important question, and one which seems to have went almost around the world, and in reference to the charge repeatedly made that I have sought to strike down the constitutional provision of Texas because I vetoed the University appropriation, I think it would be well to read here at this particular time just what the Constitution says about the power of the Legislature to make appropriations for the support of the University. Section 10—

Q. (Interrupting): Will you excuse me just a moment? It says here Article 7.

A. It is Article 7.

Q. I think it is a misprint. I want to refer further—well, go ahead.

A. Section 10 of Article 7 in reference to the University and disposition of funds, reads as follows: "The Legislature shall, as soon as possible, establish, organize and provide for the maintenance, support and direction of a university of the first class, to be located by a vote of the people of this State, and styled 'The University of Texas,' for the promotion of literature, and the arts and sciences, including an agricultural and mechanical department: Section 11. In order to enable the Legislature to perform the duties set forth in the foregoing section, it is hereby declared that all lands and other property heretofore set apart and appropriated for the establishment and maintenance of the University of Texas, together with all the proceeds of sales of the same, heretofore made or hereafter to be made, and all grants, donations and appropriations that may hereafter be made by the State of Texas, or from any other source, shall constitute and become a permanent university fund. And the same as realized and received into the Treasury of the State (together with such sum belonging to the fund, as may now be in the Treasury), shall be invested in bonds of the State of Texas, if the same can be obtained; if not, then in United States bonds; and the interest accruing thereon shall be subject to appropriation by the legislature to accomplish the purpose declared in the foregoing section provided, that the one-tenth of the alternate sections of the lands granted to railroads, reserved by the State, which were set apart and appropriated to the establishment of the University of Texas, by an act of

the Legislature of February 11th, 1858, entitled, 'An Act to establish "The University of Texas,"' shall not be included in, or constitute a part of, the permanent university fund." Now, there is a plain provision of the Constitution, so plain that I don't see how any man, whether he be layman or lawyer, can mistake about what shall be done with appropriations made for the maintenance and support of a university of the first class. It says, all grants, donations and appropriations that may hereafter be made by the State of Texas"—which could only be made by the Legislature; the State could make an appropriation only by the Legislature—"or from any other source, shall constitute and become a permanent university fund." Now, what shall you do with it, The Constitution is clear and plain. "And the same"—the same what?—the same university fund—"as realized and received into the Treasury of the State, together with such sum belonging to the fund, as may now be in the Treasury, shall be" done what with? shall not be appropriated to the current expenses of the University, if you please, but "shall be invested in bonds of the State of Texas, if the same can be obtained; if not, then in United States bonds;"—and what then? "and the interest accruing thereon shall be subject to appropriation by the Legislature to accomplish the purpose declared in the foregoing section"—to wit, to maintain a university of the first class. I regret that I have been pursued with this constitutional charge that I have struck down a constitutional provision, and I am forced to state that I did not seek this issue. As I told them over in the House, I was not raising that issue, but, as it has been urged against me here, I must say that according to the plain provisions of this Constitution, that every appropriation that has been made for the support of the University that has not been invested as this Constitution says it should be invested is contrary to the plain provisions of the Constitution and has been illegal, and the moneys so appropriated and used for the current expenses of the University according to the plain provisions of the Constitution are without warrant of the Constitution and against the plain provisions of the law. Now, there cannot be any escape from that proposi-

tion, and, far from my having struck down the Constitution by vetoing the appropriation, I would have been warranted and justified under the statement often made that it was my duty to enforce the laws to have vetoed the University appropriation on the ground of its unconstitutionality alone. I am not wholly by myself in that proposition. Governor Culbertson, as far back as 1895, in a veto, stated emphatically—when he vetoed a part of the University appropriation, stated that it was the intention of the framers of the Constitution that that institution—that the University should be supported out of the permanent university fund. Further back than he, if you will read the messages of Governor Roberts, he calls attention to the fact where he argues that one million acres of land is not sufficient to perpetuate the University and that they ought to give another million acres in order that its maintenance might be secure. So, in view of the issue that I am sorry has been pushed on me here, but which has been urged on me, and as it is going broadcast throughout the land that I struck down the Constitution, I must insist that that Constitution itself does not permit the appropriation by this Legislature of a single dollar for the support of the University unless that fund goes into a permanent university fund and is invested in bonds of the United States or of the State, and the Legislature only has authority to appropriate the interest thereon for the support of the University.

Q. Governor, are you in any way opposed to the University or to its being supported?

A. None whatever; and as an evidence of that fact my platform for Governor made in 1913 states specifically that I am in favor of liberal appropriations for the support of the public schools, the A. & M. College and the State University, and in that statement I further state that in determining that amount I will only be controlled by the ability of the State to pay and an economical expenditure of the public money. Following that platform, I again in my message to the Legislature urged liberal appropriations for the University, and the Legislature did make the largest appropriation for the University that had ever been made, and I approved the bill, providing for \$711,000 a year for the support of the University,

a sum almost double that any Governor had ever approved for the State University.

Q. Now, Governor, let me call your attention—the paper that in hand you now is what?—your message to the Legislature?

A. The Senate Journal containing my message to the Legislature?

Q. Thirty-fifth Legislature.

Mr. Hanger: I desire to read from this, this paragraph.

Mr. Harris: What is the date of it, Senator?

Mr. Hanger: I think it is January—it doesn't seem to be dated.

A. January, 1915.

Mr. Hanger: No, sir; this is 1917.

A. Oh, that's the last.

General Crane: What page?

Mr. Hanger: From 7 to 10.

General Crane: Is that the House or Senate Journal?

Mr. Hanger: The Senate Journal. I think this is the 10th day of January, General—that is what the date seems to be.

A. It was at a later date that message was read. As I recall it, I was inaugurated on the 16th, and I think the message followed on the following day.

Q. Well, inasmuch as you were already in office it would go in before the inauguration. Did you send the message in before the inauguration?

A. Perhaps you are correct about it.

Q. Will you read the paragraph there as part of your testimony—your message to the Legislature in 1917?

A. Suppose I read all of it?

Q. That's it—I didn't start far enough back. Now, what is that you now read from?

A. From my message to the Legislature of this year.

Q. The regular session?

A. The regular session. "I have been charged with being against higher education. The charge is untrue and the record will show that it is untrue. As long as higher education remains democratic and does not seek any more rights than is guaranteed to the average citizen, then I am for higher education. But when higher education becomes either autocratic or aristocratic in its ways or customs and begins to arrogate itself an unwarranted superiority over the great masses of the people, who make higher education pos-

sible, and wants to rule with a college diploma alone, then I am against higher education and I consider it "book learning" gone to seed. I am in favor of liberal appropriations for the support of our universities and colleges, but for every dollar appropriated for such purposes there should be at least three dollars set aside for the aid of the high schools in the towns and graded schools in the country. 'The greatest good to the greatest number' is a sacred tenet of democracy. 'Special privileges to none' is the foundation of republics."

Q. Now, Governor, the second called session of the Legislature was called by you?

A. Yes, sir.

Q. Do you remember the exact date of the second called session of the Thirty-fifth Legislature?

A. Called to meet on August 1st, as I remember it.

Q. Did you submit to them the question of the appropriation to support the University?

A. Yes, sir; that was the only specific purpose for which the call was issued.

Mr. Hanger: Are there any questions that any members of the Court desire to ask?

The Chair: I have a question here, if you are through, on that point, by Senator Caldwell: "Did you ever make any public utterance giving the construction you now place on Article 7 of the Constitution prior to the time the Speaker called the House to consider impeachment charges? If so, when and where?"

A. No, sir, I did not, and I am frank to state that I did not veto the University upon that account. I did not know until the question was raised about my striking down the Constitution just how strong and how plain the Constitution was upon the power of the Legislature to make an appropriation for the current expenses of the University. I make that explanation here only because I am again pursued and confronted with a charge that I struck down the Constitution.

The Chair: That's all the questions that I have here, Senator Hanger.

Q. Section 16, Governor, probably ought to have been read in connection with the other—no, I suppose not; it deals with the question

of the Regents. Article 16: "Section 30-a of Article 16 of the Constitution of Texas provides for a Board of Regents for the University of Texas, who shall hold office for six years, their terms expiring one-third every two years. The purpose of the people of Texas in the adoption of this provision was to take the University of Texas and all other such State institutions from the control of politics, and to keep the different boards from being under the control and domination of whomsoever might happen to be Governor. By Article 2639 and 2640 of the Revised Civil Statutes of 1911 the Board of Regents are given the management of the affairs of the University of Texas with the discretion to remove members of the faculty when in their judgment it is deemed best. That it is the duty of the Governor, or any private citizen, to call attention of the Board of Regents to any mismanagement or improper practices at the University or any other State institution is readily conceded. The people themselves have given to the Board of Regents by constitutional enactment, which has been confirmed by statutory law, the sole right to judge of the truth of the charges and the punishment to be inflicted against members of the faculty. The Board of Regents in their sphere are just as supreme as the Governor is in his, each having both constitutional and statutory duties to perform, and each being answerable to the people of Texas. The Governor of Texas not only files charges against certain members of the faculty, as he had a right to do, but after the members were exonerated by the Board of Regents he has sought to have the members of the faculty expelled from that institution because he desired it. He has thus sought to set aside the Constitution and law giving to the Board of Regents the discretion in matters of this kind and assert instead of their legal judgment his own autocratic will."

A. In reference to that charge I want to say that I have not sought to be autocratic, but more in the nature of an emphatic position have I sought to work for the best interests of the State University. The charge there states that I filed certain charges against certain members of the faculty. The history of

that transaction, as will be clearly shown by the record, is that after I came to Austin and entered upon my duties as Governor that information was suggested to me by certain members of the Board of Regents about conditions at the University and with reference to the expenditure of the funds provided for the support of the institution, as well as with reference to the general management of the institution, and upon my request a general statement of the improper practices that were going on and taking place at the State University was furnished me by Mr. W. R. Long, the Auditor of the State University. I called attention to those matters to the President of the Board, Mr. Fred Cook, about the information I had received. As I remember it, I discussed it more or less with another member—Mr. Harrell—of the Board of Regents, and as the result of the discussion, on a certain date—I forget when it was, but previous to the time we had the meeting out there—the Honorable Fred Cook, Chairman of the Board of Regents, called a meeting of the Board and requested by writing—in writing—to be present, and in pursuance to that request I went to the board—to the meeting called at the State University, and Mr. Cook was not present, and Mr. Will Hogg presided as Chairman—whether Vice-Chairman or not, I don't know, but in any event he presided at the meeting. Previous to that time—no, I am a little fast about that. Mr. Hogg, when I appeared before the Board, stated that they were there and ready to receive any charge which I wanted to make against members of the faculty. I expressly stated that I had not come there to make any charges against anybody, that I was not in the role of a county attorney seeking to file complaints upon information and belief, and that if they expected me to file any charges, that I would not make any charges and that I would return to the Capitol to take up my other official duties, but that I was willing to talk to the Board and submit to them such information as had come to my hands for their consideration. Then by unanimous vote I was requested to submit this information, but not to file any charges, as has been often stated and repeated, and I laid before them

the charges about the—that have been read in this record about the mileage books, about the Professor James account, and about the Co-operative Society and about the various expense accounts and the bills that had been paid, and stated to them that that information had been furnished to me by Mr. Long, the Auditor, and he was present and they could verify these matters from him. The discussion became very spirited at times. The Board of Regents, Mr. Hogg doing most of the talking, seemed to appear to me that they resented the idea that I had come out to the University and had sought to question anything that was going on out there, and they wanted to know whether I thought this, that, and the other, and at one part of the discussion Mr. Hogg said, "Well, now, how would you get rid of these men here?" I said, "Mr. Hogg, are you asking me for information or just asking to make a record?" He said, "No, I really want to know." I said, "Well, if I thought members of this board or the members of the faculty had been guilty of things that rendered them disqualified and improper persons to fill a place on the faculty," that I would exercise the same authority that any other well-managed institution would do and that I would discharge them for the good of the University; and then Mr. Sanger, I think it was, asked me if I thought it was best to discharge these men without a trial. I replied to that that it depended upon circumstances; that if they thought that it was—that they were improper people for that place they had the power under the law to discharge them; that the best way for the best interests of the University, which ought to supersede anybody's personal fortunes or interests, was to have as little row about it as possible; and I think Mr. Sanger disagreed with me, and I think probably some of the other members disagreed with me, and instead of the University regents welcoming, as I thought they ought to do and what I would have done with them if they had come to me to have a discussion about the matter, they all seemed to get up in arms, with the exception of two or three, and got very vehement about the idea of the Governor coming out there and inquiring in any way or attempting to inquire—

General Crane: (Interrupting.) Now, one question I would like to ask there: Wasn't that whole business taken down by a stenographic reporter?

A. It would have been impossible for any stenographer on earth to have taken down what took place there; he might have taken down some of it.

Mr. Hanger: There is a report of it.

General Crane: I think the stenographic report is the best evidence of what occurred there.

Mr. Hanger: Why, he can testify to what he said and what was said to him. It was not an official report.

General Crane: Go on. We will withdraw the objection.

The Chair: I don't think the objection is good that the stenographic report is the best evidence.

General Crane: We will withdraw the objection. Let it go.

A. And so, in the height of the discussion, evidence has been introduced here about my improper remarks—and probably it was improper, about my saying that Will Mayes had “skinned me from hell to breakfast.” Mr. Hogg, in the same meeting said that before he would submit to the proposition of my coming out there, he “Would go to hell in a hand basket.” I meant that to show the temper of the discussion that was assumed by myself and the other members of the Board of Regents, and in the heat of the discussion, they attempting on the one hand to say that I had no right out there, no authority to raise any question about it, and I claiming that I did have a right; I said, “All right, if that is the position you gentlemen want to assume, why, it comes then to a measuring of strength, and if you won't remove these improper practices here and you are going to seek to perpetuate them, I will tell you now, in order that we may not be deceived about the proposition, that I am going to use every power vested in me under the Constitution and laws of this State,”—and I attempted to assume no other power than that vested in me under the Constitution and laws of the State—that I would use my power and put regents in there who would discontinue those improper practices at that place, and that was how all this discussion came up in the record here,

and introduced in evidence, and those were the conditions and surroundings under which that proposition was made to the—and that statement was made to the Board of Regents. After I had made that statement, laid these matters before them, I came back to the capitol, I have never from that day to this been to the University on official business—I believe I was out there to judge a young men's debating contest later; and the statement has been made here that I had offered a discourtesy to Dr. Vinson by not attending his function, which he gave here; I meant no discourtesy to Dr. Vinson, and if he had had that in mind, I might equally have stated that at the time that I went out there to judge the young men's debating contest, that he refused to sit on the platform with me, but went off and excused himself, after inviting me out there to do that very thing; but I looked on that as a good reason—it was good to him, and I intended no discourtesy to him by not attending his function.

Q. Did you refuse to attend, or fail to attend.

A. No, I didn't refuse, I failed to attend. I came back to the Capitol, and I have never been out there since, and all the relations I have had with the Board of Regents was at all times a matter of arguing with them, trying to convince them to the best of my ability, with argument and persuasion, even emphatic—I do not deny that—to secure their co-operation for the best interests of the University, to put the University in the position of being amenable and respectful, not especially to me as Governor of the State, because I was—not to me personally because I was Governor, and to the Legislature who provided the money, but that in order that the University would not get bigger than the people, and that it would show its satisfaction and its gratitude to the people of Texas, acting through the Governor and the Legislature at all times, for having been supported liberally and continuously, and, as I quite often told them, that as long as the University only spent fifty or sixty thousand dollars the people did not care anything about what became of the money, but I told Dr. Vinson, and I told the Board of Regents, I said, “You have changed, your appropriation has grown from less than about \$100,000 to \$700,-

000 or \$800,000 a year, and the amount has become so large that if you are to keep the confidence of the people in the University, you have got to show them at all times that the money is being properly and economically expended." I remember distinctly using the illustration to Dr. Vinson himself, stating, "Doctor, it is a case just like this, that when a young man is out at that school, and is only spending \$300 a year, the parent at home does not make much inquiry, because he knows that the money is being spent within the bounds of reason. But when the sum reaches \$1,300 a year, then the parents at home would call a halt, and if a satisfactory explanation could not be made by the student, or the child, as it were, as to how the money was spent, that the parents would take him away from the school, and," I says, "so it is that the people, who are just a big parent of the University, as long as you can show to the people what you have done with this money—that it was spent properly—the people are willing to give you sums of money for the maintenance and support of the University; but whenever they get arrogant out here and say they have got a right to demand it, and not ask it from the people, then the people are going to lose confidence in the University, and I am calling these matters to your attention, if you please, not to destroy or injure the University, not to impair its influence, but to make its maintenance and support stronger, if possible, under the—with the respect of the people."

Q. Governor, before you conclude on that subject I want to read Article 17—I did not notice how closely related it was to 16. "Article 17. Article 6027 of the Revised Civil Statutes of 1911 provides for the removal of members of the Board of Regents (among other officials) for "good and sufficient cause." The Governor has sought to remove members of the Board of Regents without such cause, has demanded resignations of others without reason, simply and only because he could not dictate to them as to how they should cast their votes in reference to matters arising before them. Such conduct was a clear violation of the law, and would serve to make inoperative the provision of the

Constitution providing for six-year terms of office." Did you have a conversation with Mr. Dudley, Mr. Thomason and Senator Hudspeth about the subject of Dr. Lawrence?

A. Yes, sir, at the time stated by Mr. Dudley in his testimony; as I recall that conversation, they came down—I think previous to the time that they did come down I had spoken to Mr. Dudley and asked him if he knew Dr. Lawrence, and he said he did not; I told him that I was thinking very seriously of appointing him on the Board of Regents, and that I wished he would make some investigation about him and see if there was any objection to him. The next I knew about the matter Senator Hudspeth and Mr. Thomason and Mr. Dudley came to my office.

Q. At that time you had appointed Dr. Lawrence?

A. Either I had appointed him or I had agreed to appoint him, I forget which; and they said they came to talk to me about Dr. Lawrence, and I believe I probably had appointed him, because as I now recall, the conversation came up about whether he would be confirmed or not.

Q. Yes.

A. And I said, "Gentlemen, you are my friends and I just want to lay all the cards on the table and tell you why I appointed Dr. Lawrence." I said, "My relations with you gentlemen demand that I tell you about that." I said, that "Dr. Fly and Dr. George H. Lee, who was a member of the faculty of the University Medical Department at Galveston, had made a personal matter—a personal request of me, urging me almost to the extent of a personal matter to appoint Dr. Lawrence.

Mr. Harris: What other man was that besides Dr. Fly?

Mr. Hanger: Dr. George H. Lee.

A. Dr. George H. Lee; he was a nephew—was an uncle of Senator Caldwell. As I told them, I said, "He is an uncle of Senator Caldwell, my friend, and I think I ought to tell you all just why it is that I have appointed Dr. Lawrence"; and I said, "I never saw the man but one time in my life and that is when Dr. Lee brought him over to the Mansion one night to see me"; and I said, "He has every appearance of being a perfect gentleman and man of some attainments and quali-

fications, and if there is no objection to him I would like to see him appointed because Dr. Fly and Dr. Lee personally requested it." They said they knew of no objections to Dr. Lawrence other than that he was not well known in El Paso and because of the fact that he had only lived there a short while he was not to any great degree identified and connected with the citizenship of El Paso, and, as I recall it, they said that they did not think that he would be confirmed. The question then came up about the appointment of somebody else and they said in case he was not confirmed that they wanted to submit somebody else to me, and in that connection the conversation arose about Henry Kelly, and I said, that I thought that he was a good old—I said, "I have one good old Irish friend out there that I think is a good reputable citizen" and as I recall it they all agreed that that was so, that he was a good reputable citizen, and I am especially sure that no objection was made to Mr. Kelly, but the matter was not seriously discussed at that time because I told them that I did not want to discuss the appointment of anybody else because I had told Dr. Lee and Dr. Fly that I would appoint Dr. Lawrence and until he was rejected by the Senate that that was the last word that I wanted to say about the appointment, of anybody, and that I would be glad to talk with them further about it. And Mr. Lawrence was—Dr. Lawrence was rejected by the Senate and after that time Mr. Kelly was appointed. So far as the removal of regents, I never sought to remove anybody but Dr. Jones. After I had appointed Dr. Jones he rarely, if ever, attended the meetings, and he went to Virginia and I saw a letter written by him to the tax assessor of Bell County in which he said that the tax assessor of Virginia had got him and for that reason he would pay his personal taxes hereafter in Virginia and could not pay it in Texas, and he had identified himself with those people at the University who seemed to want to perpetuate the practices which I had complained of, and I thought for the best interests of the University that he ought to be removed, and on the date specified I issued a proclamation removing Dr. Jones from the office.

Q. What warrant and authority

did you think that you possessed for the removal of Dr. Jones?

A. I forget, but it is Article sixty-two something which provides, in substance, that any officer appointed by the Legislature or by the Governor may be removed by the Governor by spreading the reasons therefor upon the minutes of his office or upon the records of his office. Previous to that time I had looked up the question and it had been passed upon by the Supreme Court of our State.

General Crane: Well, now, we shall object to his construction of what the Supreme Court said. He may point out the decision, we think that is perfectly proper.

The Witness: Well, I am going to.

Mr. Hanger: This is a part of his reasons, Mr. President, as to whether he thought he had the right to do it or not.

General Crane: No, that statement has been made and I understood that he read the decision right into the record. He said it was in the decisions of the Supreme Court; they can be found, and I am willing for him to produce them.

The Witness: I was just going to refer to the decisions.

General Crane: Well, I know you want to give the effect of what you thought they meant.

Mr. Hanger: We insist on his giving what was operating on his mind to show whether he thought he had the right or not.

The Chair: I think it is probably admissible, and subsequently, you can cross-examine him.

General Crane: Very good, very good.

The Chair: The objection is overruled.

Q. All right, Governor.

A. As I said, previous to that time I had had occasion to look up the question of the power of the Governor to remove, and I had found a decision back, I think it was in the 24th or 25th Texas, which I will produce, wherein the court held, in discussing the power of the Governor to remove, and citing the statute—

Senator Bee: Mr. President.

The Chair: Senator Bee.

Senator Bee: Counsel for the Respondent asks that the Court rise at this time. I move that the Court rise and meet at 10 o'clock tomorrow morning.

The Chair: Senator Bee moves

that the Court now rise to meet again at 10 o'clock tomorrow morning. Those favoring the motion will let it be known by saying Aye; those opposed No.

The ayes have it, and the Court will recess, to meet again tomorrow morning at 10 o'clock.

(Thereupon, at 5 p. m., the Court recessed until 10 o'clock a. m. Tuesday, September 18, 1917.)

In the Senate.

President Pro Tem. Dean in the chair at 4:55 o'clock p. m.

Simple Resolution No. 18.

(Pending.)

The Chair laid before the Senate as pending business:

S. R. No. 18 providing for investigation of State Departments and Institutions. (See page 522 of the Journal for the resolution in full.)

Senator Gibson presided for a short time.

Action recurred upon the motion of Senator Westbrook to table the pending substitute offered by Senator Henderson at this morning's session.

The motion to table prevailed by the following vote:

Yeas—19.

Alderdice.	Hudspeth.
Buchanan of Scurry.	Johnson of Hall.
Caldwell.	McNealus.
Clark.	Parr.
Collins.	Robbins.
Dayton.	Smith.
Decherd.	Strickland.
Floyd.	Suiter.
Gibson.	Westbrook.
Hopkins.	

Nays—6.

Bee.	Henderson.
Hall.	Johnston of Harris.
Harley.	Page.

Present—Not Voting.

Dean.

Absent.

Bailey.	McCollum.
Buchanan of Bell.	

Pair Recorded.

Senator Lattimore (present), who

would vote "yea"; Senator Woodward (absent), who would vote "nay."

Senator Suiter offered the following amendment which was read and adopted:

(1) Amend the pending resolution by inserting at the end of paragraph one and after the word "for" the following:

Provided further, that said committee, in addition to the general duties and powers herein conferred, shall in its investigation determine what offices, commissions and departments and institutions may be abolished or combined with other positions in order to reduce the number of employees in departments and institutions, and what, if any, changes are necessary in the methods of bookkeeping and keeping the records in order to simplify the same and thereby reduce the expense of keeping the same; to recommend such change as it deems best in the methods used in any department or office; and in its report said committee shall specifically point out and specify such offices, and positions as, in its judgment, may be abolished or combined, and such changes as it deems necessary and advisable, and in its said report shall state what the expense of the present method is and the estimated expense of the methods proposed, showing in what manner the saving is made and the amount that will be saved to the State if said proposed change is adopted, and shall recommend such laws and changes in existing laws, as it deems necessary to put into effect such changes as are set out in said report.

Smith, Collins, Buchanan of Scurry, McNealus, Strickland, Lattimore, Alderdice, Parr, Suiter, Johnson of Harris, Hopkins, Robbins, Decherd, Westbrook, Dayton, Gibson, Johnson, Hudspeth.

Senator McNealus offered the following amendment, which was read and adopted:

(2) Amend the resolution by inserting after the word "auditor" and before the word "and" in line 29, the words "or auditors," and by inserting the word "and" and before the word "expert" in said line the word "an," and by inserting after the word "accountant" and before the

word "to" in said line the words "or accountants."

McNEALUS,
WESTBROOK.

Senator Page offered the following amendment which was read and adopted:

(3) Amend the resolution by adding at the close thereof, "and said committee shall especially investigate the passage of bills by the Thirty-fifth Legislature of all bills creating new schools in Texas, including the amounts paid all attorneys and lobbyists who appeared before the committees of House and Senate and all commissions paid to attorneys and lobbyists lobbying for said schools and the purchase of bonds for same."

PAGE.

Senator Parr offered the following amendment, which was read:

Amend the resolution by adding at the end thereof, "Provided no Senator shall be appointed as a member of this committee except he be already elected to the Thirty-sixth Legislature."

PARR.

Senator McNealus made the point of order that the amendment is not germane and that it is not a proper amendment, in that it seeks to limit rights of certain Senators and is discriminatory.

The point of order was sustained.

Senator Parr appealed from the ruling of the Chair, whereupon Senator Collins was called to the Chair and presided.

Question: Shall the Chair be sustained?

The ruling of the Chair was sustained by the following vote:

Yeas—26.

Alderdice.	Henderson.
Bailey.	Hopkins.
Bee.	Hudspeth.
Buchanan of Bell.	Johnson of Hall.
Buchanan of Scurry.	Johnston of Harris.
Clark.	Lattimore.
Collins.	McNealus.
Dayton.	Page.
Decherd.	Robbins.
Floyd.	Smith.
Gibson.	Suiter.
Hall.	Westbrook.
Harley.	Woodward.

Nays—3.

Caldwell.	Strickland.
Parr.	

Present—Not Voting.

Dean.

Absent.

McCollum.

Senator Buchanan of Bell offered the following amendment:

(4). Amend the resolution by striking out the word "eleven" after the words "Committee of" and insert in lieu thereof the word "four."

At this time several Senators called for recognition and Senator Westbrook being recognized, moved to table the amendment.

Senator Page made the point of order that Senator Buchanan of Bell had the floor at the time the motion to table was made, that he had not yielded the floor and that Senator Westbrook could not have made a motion to table without proper recognition of the Chair.

Refusal to Adjourn.

Senator Clark moved that the Senate adjourn until 9:30 o'clock tomorrow.

The motion to adjourn was lost by the following vote:

Yeas—8.

Bee.	Harley.
Decherd.	Henderson.
Gibson.	Lattimore.
Hall.	Page.

Nays—19.

Alderdice.	Johnson of Hall.
Buchanan of Bell.	Johnston of Harris.
Buchanan of Scurry.	McNealus.
Caldwell.	Parr.
Clark.	Robbins.
Collins.	Smith.
Dayton.	Strickland.
Floyd.	Suiter.
Hopkins.	Westbrook.
Hudspeth.	

Present—Not Voting.

Bailey.	Dean.
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Absent.

McCollum.	Woodward.
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Senator McNealus made a further

point of order concerning Senator Westbrook's motion to table the pending amendment.

Senator Gibson moved that the Senate adjourn until 9:30 o'clock tomorrow.

Senator Caldwell made the point of order that a motion to adjourn is not in order at this time, since no business has been transacted since a motion to adjourn was lost.

The point of order was sustained.

Refusal to Adjourn.

Senator Gibson at 6:05 o'clock moved to adjourn until 9:30 o'clock tomorrow.

The motion was lost by the following vote:

Yeas—10.

Bailey.	Hall.
Bee.	Henderson.
Buchanan of Scurry.	Lattimore.
Decherd.	Page.
Gibson.	Strickland.

Nays—17.

Alderdice.	Johnson of Hall.
Buchanan of Bell.	Johnston of Harris.
Caldwell.	McNealus.
Clark.	Parr.
Collins.	Robbins.
Dayton.	Smith.
Floyd.	Suiter.
Hopkins.	Westbrook.
Hudspeth.	

Present—Not Voting.

Dean.

Absent.

Harley.	Woodward.
McCollum.	

Simple Resolution No. 18.

(Pending.)

Action recurred upon Simple Resolution No. 18 as pending business, the question being the point of order by Senator Page.

By unanimous consent Senator Westbrook withdrew the motion to table the pending amendment.

Senator Westbrook then moved the previous question on the adoption of the pending amendment and the resolution, which being duly seconded, the main question was ordered.

Action recurred on the pending amendment by Senator Buchanan of Bell, and the same was lost by the following vote:

Yeas—8.

Bailey.	Henderson.
Bee.	Page.
Buchanan of Bell.	Strickland.
Hall.	Suiter.

Nays—17.

Alderdice.	Hopkins.
Buchanan of Scurry.	Hudspeth.
Caldwell.	Johnson of Hall.
Clark.	McNealus.
Collins.	Parr.
Dayton.	Robbins.
Decherd.	Smith.
Floyd.	Westbrook.
Gibson.	

Present—Not Voting.

Dean.	Johnston of Harris.
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Absent.

Harley.	McCollum.
Lattimore.	Woodward.

Action then recurred upon the resolution as substituted and amended and the same was adopted by the following vote:

Yeas—21.

Alderdice.	Hopkins.
Buchanan of Scurry.	Hudspeth.
Caldwell.	Johnson of Hall.
Clark.	McNealus.
Collins.	Parr.
Dayton.	Robbins.
Decherd.	Smith.
Floyd.	Strickland.
Gibson.	Suiter.
Henderson.	Westbrook.

Nays—4.

Bailey.	Hall.
Bee.	Page.

Present—Not Voting.

Buchanan of Bell.	Johnston of Harris.
Dean.	

Absent.

Harley.	McCollum.
Lattimore.	Woodward.

Reasons for Vote.

I vote "aye" on the final passage of the resolution, because I believe

an investigation ought to be had; I believe that there are a number of commissions that ought to be abolished and a number that ought to be consolidated, thereby saving thousands of dollars to the State, but I believe that the investigation could and would have been much more thorough and satisfactory and at a much less expense by a committee of three with expert help than by the committee of eleven as provided for in this resolution.

HENDERSON.

I vote "no" on the resolution because the experience of the past shows that investigations heretofore conducted have never availed anything.

The Senate ought not to saddle this expense upon the people of this State when there is real suffering and a hardship among them. There ought to be an investigation so that we might abolish such institutions as are unnecessary and make such changes as might be necessary but to appoint eleven Senators and have them make a report which no one will ever read and the next Legislature will pay no attention to is a useless expenditure. Why does not the Senate ask for an expert to come here from Washington and with one Senator and one member of the House and with such expert advice, really get some result.

These investigations will cost about two hundred thousand dollars which will be received in part by men who agreed to serve only during the session of the Legislature at a fixed salary of five dollars. That amount will now be supplemented by an additional compensation in violation, as I believe, of law.

If I were Comptroller no warrant for expenses under this resolution would ever pass through my office.

Those who have forced through this resolution will see the futility of the expenditure.

BEE.

I vote "nay" on the resolution because a committee of eleven members is proposed at \$5.00 each per day. The House has passed a resolution calling for an investigation by thirty members, making a total of forty-one investigators, at \$5.00 per day, or a total of \$6,000 per month. In my opinion, the investigation will cost a quarter of a million dollars which must be paid

by the people; and while I would favor an investigation by three or five at modest cost, I oppose the large expense of the proposed investigation which is, in my opinion, a mere attempt to create "jobs for the jobless" and work for "Weary Willies" of the House and Senate who have no business at home requiring their attention.

PAGE.

Senator Westbrook moved to reconsider the vote by which Simple Resolution No. 18 was adopted and table the motion to reconsider.

The motion to table prevailed.

Adjournment.

At 6:20 o'clock p. m. Senator Clark moved that the Senate adjourn until 9:30 o'clock tomorrow morning.

The motion prevailed.

APPENDIX.

Petitions and Memorials.

Senator Bee offered a communication from the Secretary of the San Antonio Trades Council protesting against the passage of any bill to permit the selling of gasoline, etc., on Sundays.

Committee Report.

(Floor Report.)

Senate Chamber,

Austin, Texas, Sept. 13, 1917.

Hon. W. L. Dean, President Pro Tem. of the Senate.

We, your Committee on Finance, to whom was referred

S. B. No. 20, A bill to be entitled "An Act to make additional appropriations for the support of the State government for two years, etc.,"

Have had the same under consideration, and beg to report the same back to the Senate with the recommendation that it do pass and be not printed, but printed in the Journal.

Hudspeth, Bee, Parr, Hopkins, Clark, Page, Dean, Johnston of Harris, Caldwell.

S. B. No. 20.

By Hudspeth
and Caldwell.A BILL
To Be Entitled

An Act making additional appropriations for the support of the State government for two years, beginning September 1, 1917, and ending August 31, 1919, as follows, to wit: For the salaries of special district judges, for fees and costs of, sheriffs, attorneys and clerks in felony cases, for the salary of Assistant Adjutant General and the quartermaster of the Adjutant General's Department, for the salary of the chief inspector of nurseries for the Department of Agriculture, for the salary of the State Revenue Agent, for the salary of the chief clerk of the Game, Fish and Oyster Commissioner's Department, for the salary of the bacteriologist of the State Health Department, for the salary of the Commissioner of Labor, for the salaries of four inspectors in the Labor Department, for the salaries of two chemists in the Pure Food Department, for the salaries of two inspectors in the Pure Food Department, for the salaries and expenses for collecting fees under the pure food laws, for stamps to be used in the collection of fees in the Pure Food Department, for the salary of the porter in the Attorney General's Department, for the salary of the Commissioner of Insurance and Banking, for the salary of the Superintendent of the State Orphans' Home, for the salaries of twelve non-graduate nurses for the first year at Tuberculosis Sanatorium, for salaries of three assistants to the Inspector of Masonry and for material tests and analysis, long distance telephone, telegraph, express and freight charges and incidentals and traveling expenses for the Department of Inspector of Masonry, and to pay miscellaneous

claims, and for other purposes; prescribing certain regulations and restrictions in respect thereto; repealing parts of laws heretofore passed making appropriations for the particular items named in this bill, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. That the following sums of money, or so much thereof as may be necessary, be and the same are hereby appropriated out of any money in the State Treasury not otherwise appropriated for the support of the State government from September 1, 1917, to August 31, 1917; provided, that each and every employe of each and every institution or department of this State shall be paid by voucher issued in his or her name; and said voucher shall state the amount of salary or sum due, and services performed, with the date and time of said services, and no money or moneys shall be paid except upon presentation of said voucher or vouchers endorsed by the payee; provided further, that all of said vouchers upon which any money or moneys have been paid shall be filed with the Comptroller for the inspection of the Governor and the Legislature or by their authority or at the request of any citizen of this State; and provided further, that correct accounts shall be kept for all sums paid or obligations outstanding against each item of appropriation herein, and weekly statements of the net balances to the credit of each account, after all payments made and obligations outstanding have been deducted, shall be forwarded to the State Comptroller, and it shall be unlawful for the State Purchasing Agent or the authority in charge of any institution or department of this State to purchase or issue orders for any supplies or otherwise pledge the credit of this State beyond the amounts herein appropriated or otherwise lawfully authorized.

	For the Years Ending	
	Aug.31,1918	Aug.31,1919
Judiciary—		
To pay salaries of special district judges.....	\$ 6,000.00	\$ 6,000.00
To pay fees and cost of sheriffs, attorneys and clerks in felony cases.....	341,150.00	359,150.00
Adjutant General's Department—		
To pay salary of Assistant Adjutant General..	2,000.00	2,000.00
To pay salary of Quartermaster in Adjutant General's Department.....	2,000.00	2,000.00
Department of Agriculture—		
To pay salary of Chief Inspector of Nurseries	2,000.00	2,000.00
To pay salary of Plant Pathologist, Chief of the Department of Plant Pathology.....	2,100.00	2,100.00
State Revenue Agent—		
To pay salary of State Revenue Agent.....	2,100.00	2,100.00
Game, Fish and Oyster Commissioner's Department—		
To pay salary of Chief Clerk of the Game, Fish and Oyster Commissioner.....	2,000.00	2,000.00
State Health Board—		
To pay salary of Chemist and Bacteriologist..	2,100.00	2,100.00
Bureau of Labor Statistics—		
To pay salary of Commissioner of Labor.....	2,400.00	2,400.00
To pay salary of four inspectors.....	7,200.00	7,200.00
Pure Food Commissioner—		
To pay salary of two chemists.....	4,800.00	4,800.00
To pay salary of two inspectors.....	3,000.00	3,000.00
For salaries and expenses for collecting fees under the pure food laws, such fees when collected to be turned into the State Treasurer to the credit of the General Revenue..	2,500.00	2,500.00
For stamps to be used in the collection of fees Pure Food Department.....	300.00	300.00
Attorney General's Department—		
To pay salary of porter.....	600.00	600.00
State Orphan's Home—		
To pay salary of Superintendent of the State Orphan's Home, together with provisions for himself and family not to exceed \$500.00 per annum, with fuel, lights, laundry, water and housing	2,000.00	2,000.00
Tuberculosis Sanitorium—		
To pay salaries of twelve non-graduate nurses, first year	2,880.00	.....
Inspector of Masonry, Public Buildings and Work Department—		
To pay salary of three Assistant Inspectors of Masonry, as provided for in Chapter 12, Acts Regular Session of the Thirty-third Legislature	5,400.00	5,400.00
To pay material tests and analyses, long distance telephone, telegraph, express and freight charges, incidentals pertaining to the		

For the Years Ending
Aug.31,1918. Aug.31,1919

supervision of the State buildings and for
traveling expenses of the three assistants
named above, and the State Inspector of
Masonry\$ 3,775.00 \$ 3,775.00

Miscellaneous Claims—

To pay balance to R. E. Miller for construction of septic tank for the State Orphan's Home	257.44
To pay the following claims presented by the Superintendent of the State Orphan's Home, to wit:	
Morris & Company.....	60.08
S. W. Electric Company.....	15.50
W. H. Richardson & Company.....	13.00
Kirby Instrument Company.....	372.18

Sec. 2. Provided, that no money herein or hereby appropriated for any purpose shall be paid to any person directly or indirectly who is not at the time of receiving such pay, remuneration or emolument, a citizen of the United States under the laws of the United States. Provided, however, that this Act shall not apply to any person who is not a citizen of the United States under the naturalization laws of the United States who has resided in Texas for a period of ten years and who shall within thirty days after this Act shall take effect make application to become a citizen of the United States, and who shall within two years after making such application become a citizen of the United States; this provision shall apply to and govern all appropriations made in this entire Act.

Provided, that the head of said department keep a record of the absences of the various employes and the reasons therefor, whether from sickness, vacation or on leave of absence, and said record shall be incorporated in the report made annually by the head of said department.

The appropriations herein provided for are to be construed as the maximum sums to be appropriated to and for the several purposes named herein, and no expenditures shall be made, nor shall any obligations be incurred which, added to the actual expenditures, will exceed the amounts herein appropriated for either of the said purposes, except under the provisions provided for in Article 4342 of Chapter 2, Title 65, of the Revised Civil Statutes of 1911.

Provided, that no money herein or hereby appropriated for any purpose

shall be paid out to any person, directly or indirectly, upon any agreement or contract made or existing between such person and the board authorizing the payment of the same, where any member of such board is of kin to such person by blood or marriage or where such person is directly or indirectly indebted to any member of such board.

Sec. 3. All parts of laws heretofore passed making appropriations for the identical items covered by this appropriation bill are hereby repealed.

Sec. 4. The fact that various errors were made in the enrollment of the various appropriation bills for the support of the State government, both of commission and omission, and that in some respects the appropriation as made do not conform to the statutes, and the fact that this is a called session of the Legislature which under the Constitution must end within a few days, creates an emergency and an imperative public necessity which requires that the constitutional rule providing that bills shall be read on three several days be suspended, and said rule is hereby suspended, and that this Act become effective from and after its passage, and it is so enacted.

THIRTEENTH DAY.

Senate Chamber,
Austin, Texas,
Tuesday, Sept. 18, 1917.

The Senate met at 9:30 o'clock a. m. pursuant to adjournment, and was called to order by President Pro Tem. Dean.

The roll was called, a quorum be-